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NOVEMBER 23, 1992 \$2.50



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CANADA'S WESTERN NEWSPAPER NOVEMBER 22, 1970 P.16 NO. 4



# LETTERS

## Pulling rank

Your recent poll provides much interesting information ("Measuring excellence," *Constr.*, Nov. 18), but its ranking system and criteria could cause confusion in the public mind. Basic concern about as much as they reveal — differences between the highest and lowest — may be no more significant than those between an Apple and an Android. That elusive quality called "educational excellence" will continue to be indefinable. It may therefore be somewhat premature for McGill or Mount Allison to issue that kind of assurance once given by a former president of Princeton University: "Medals, we guarantee results, or we return the boy."

M. Michael Solomon,  
Professor  
University of Prince Edward Island,  
Charlottetown

Congratulations to *McGill's* for an excellent second survey of Canadian universities. The division into undergraduate, comprehensive and undergraduate universities is a commendable improvement over last year's approach. The use of measurable and objective criteria also makes comparison within categories simple and believable. The next step might be to resist using the same criteria in all three divisions to better reflect the distinctions. I am disappointed but not surprised that my own university ranked last in the undergraduate category. Many faculty members here argue that our present situation reflects public indifference. If this is so, then the people of Montreal are getting exactly the quality of instruction they deserve.

Hywel Jenkins,  
Professor, St. Paul's College,  
University of Montreal,  
Montreal

Why not rank these institutions by the number of graduates that have a job upon graduation? As a parent of two full-time university students, I can assure you that this type of statistic will attract applicants immediately. If you attempt a third annual report, please give some thought to asking industry what type of institutions would give them the most cost-effective employees and how they would support it.

Margaret Jensen,  
Trent, Alta.

## 'A complex issue'

In a report about Concordia's engineering faculty ("Concordia's trials," *Special Report*, Nov. 18), you opened a tangled issue and kept it looking convoluted, only emboldened for a witch



Graduating students of McGill ranks concern almost as much as they reveal

hunt. In any engineering faculty, you can find complacency and "apathy" people claiming that whatever is unethical. You neglected entirely the vast majority of T. S. Sander's PhD students, including myself, who are glad they worked with a very progressive faculty.

B. Michael Jackson,  
Victoria

## Tragic deaths

The politics behind the shooting of Concordia University may well have been partly responsible for Valerie Parkin's untimely death. But to describe her in the photo caption as "a brilliant researcher, but a tragic figure in the wrong place" is outrageously sympathetic. Remember, this is a man who cold-bloodedly stabbed and killed four innocent professors and wounded a secretary, in order to gain an audience for his grievances. If you are looking for a tragic figure in the wrong place, try my dad, Matthew Douglas, the gentlest of human beings, heading back to rehearsal a cup of coffee when he was shot down like an animal.

Rubie Douglas Graham,  
Pickering, Ont.

## 'Disheartening'

When I accepted your offer to do an interview for the university issue ("Campus confidential," *Special Report*, Nov. 18), I saw it as my golden opportunity to tell the nation how phenomenal it is to attend Queen's. I was not

aware that it was about to become party to an article whose sole purpose was to make its students out to be neo-crazed maniacs. As a result, this has become perhaps the single most disheartening experience I have as yet had. I wish to make it explicitly clear that this article took statements completely out of context and misrepresentation to falsely portray Queen's, the residents of McGill and Leonard's madness and myself. Queen's is not a haven for promiscuity and extracurricular acts. You have taken a young, intelligent adult and discredited her as in the minds of professional journalists, which makes her the object of hatred again. We have lost more up-and-coming readers than you will know.

Albert Rose  
Kingston, Ont.

Your article has reaffirmed the axiom that I have for the media and its pretended objectivity. The article presents a distorted and narrow version of my views on sexuality on the campus in Montreal and clearly problems to the post-1960s, usually teenage baby boomers who comprise the main body of your readership. Moreover, the article is written from a judgmental perspective that is colored by Victorian attitudes so typical of Canada. If I am to be described as bitter, it must be with regard to the media's habit of viewing the very delicate matter of young people back in the 1930s with the tired labels and values of yesterday. This tendency perpetuates outdated notions and does a grave disservice to today's young adults by assuming that they are incapable of defining their own sexual identities.

Todd Montgomery,  
Kingston, Ont.

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# OPENING NOTES

Business euphemisms, capital role-playing and the language of Flowers

## ENTER ROBOCOPIES

**P**resident-elect Bill Clinton looked his toughest on *The Avenue* Fall Show and Justice Minister Kim Campbell's likely contender for the federal Conservative leadership—based her shoulders for a new look of photographs of prominent Canadian women. Now, another ambitious politician, the ultimately charming and incoherent Liberal MP Sheila Copps, is climbing in popular culture. For an episode of the Quebec TV series *Tape à l'oreille* (Let's Trade the Privacy), broadcast on Radio-Canada on Nov. 9, Copps claimed a fiery silver suit and mask to present what she calls a battle for her latest secret-keeping foe—ROBOCOPPIES. Half *Woman-Half Robot*. Among other feats, the Liberal MP shows a man



repeatedly against a wall to disfigure a hole in his back, dragged away from around on a bench to demonstrate her love for "assault" and gasped himself across the screen with disfigure before visiting a physician—who prescribed a mail for her gas trouble. The show, aimed at 18- to 25-year-olds, "is designed to be a business television program," says producer Helene Perron. "A lot of young viewers in Quebec don't really know who Sheila is and those who do think she's impossible." Presumably, they only see the Red Copps.

## Renovating a ban

**W**hen federal Fisheries Minister John Crosbie announced in July that he was closing Newfoundland's turbot and haddock fishery for two years, he threw an estimated 10,000 fishermen and plant workers out of work. But in some fishing communities where the once-plentiful fish had already practically disappeared the \$500-million aid package Crosbie announced two weeks later—doubling fishery workers eligible for payments of as much as \$400 a week—has provided a welcome shot to the arm to the local economy in the east coast community of Bonaville, for one. J. T. Stevens Co. Ltd., a general store that sells everything from groceries and hardware to insurance, has seen business rise sharply since August. The big sellers, according to co-owner James Stevens, have replacement and building supplies, bought by fishery workers who have paid money—ad and some—on their bonds. "Guys who would normally be out fishing are home sitting around all day doing nothing," says Stevens. "The women see this and they say, 'Hey, what about that room you were going to paint or that door you were going to fix'."



## BY ANY OTHER NAME

As much as *Novelists* and *Journalists* insist on perfect changing corporate realities. A primer of recovery euphemisms currently in circulation.

**High rising:** n. the process of adjusting staff or expenditures to meet financial needs; synonym: layoffs and cutbacks.

**Inventory Separation:** n. a firing or a layoff.

**Negotiated Departures:** n. forced resignation, or buying off an employee with severance.

**Free Someone's Pasture:** n. to lay someone off.

**Excessed out:** refers to someone who has been laid off.

**Presidential Redirection:** n. a condition that is common among those who have been laid off or fired.

**Negative Cash Flow:** n. losing money.

**Swivelchairing:** a pass decision usually had once along the chain of command.

**Initiative Project:** n. a hard work effort to someone who is a hard worker or a go-getter.

**Flotter:** n. an employee who does not have a specific job, but fits in whenever there is staff shortage.

**Proactivity:** n. the act of addressing a situation before that situation actually develops.

**Acceding Personal Rotation:** n. the act of lobbying for support or patronage.

**Roll Me Adjustment:** n. reducing the number of staff in one sector of the company to correspond to or make up for staff reductions in another sector.

**Workplace Diversity:** n. internal openness; those that are designed to create an ethics of workplace equality.

**Quality Enhancement Initiative:** n. improvement.

**Organizationally Displaced:** n. refers to an employee who has a position to do or where job is longer exists in the company. Sometimes, frequently applied to someone who is about to have his future fired.

## LOSING BIG

**C**all it the downside of capitalist reform. In the late 1980s, the reform-minded Communist government of Mongolia launched an open market to start investing on international money markets. Using a single Triflex machine and operator assisted telephone lines, a series of investors who had received three months' training in Indiana, Mo-cow and Budapest plunged into the currency markets headfirst—and lost big. Sometimes trading more than \$1 billion a day, and frequently losing against one another, simultaneously the investors squandered almost \$125 million of Mongolia's hard currency reserves before the government shut them down last year. By then, the reserves had dwindled to little more than \$15 million, or 425-4 million dollars. Now, five of the million are set to stand still in the Mongolian capital of Ulaanbaatar for criminal confidence. And in a country ravaged by debt and a near-total economy, the defendants have received little public sympathy, had no celebrity Mongolians. "All our country's money stores from these stupid dealers. I really want them tortured."

## A PRESIDENTIAL PROVING GROUND

**I**t is a program that has helped to shape U.S. history. In 1935, the American Legion launched a leadership initiative for male high school juniors called Boys State. Every summer since then, about 30,000 boys across the country have learned about government by attending "sessions" of an imaginary state. The teens, assigned to one of two mock political parties, participate in models of local and state governments. And since 1946, two students from each Boys State have gone to Washington as "senators" in House Nations, modeled on the federal government. As a Boys State senator in 1961, Bill Clinton, then 15, met President John F. Kennedy in the White House Rose Garden—in essence, Clinton claims, that convinced him to pursue a career in public service. Other participants in the program have gone on to become U.S. senators, U.S. House members, U.S. Supreme Court Justices, and even presidents.



Gave, Neil Armstrong, the first man on the moon, Delaware Senator Richard Cheney and NBC news anchor Tim Lasker, returned to be interviewed in raising for the Senate in 1984. Through a parallel American Legion Auxiliary program called Girls State, women have gone on to be on the staff of U.S. Sen. (Republican) Jim Pardy, Susan Pardy, Pardy, chief of staff to Barbara Bush, and Ann Richards, the single-shotting governor of Texas.

## Flowers in bloom



**C**heryl Anne Gossamer Flowers's claim to have scored on a record 15-year love affair with Bill Clinton nearly dented the Arkansas governor's presidential campaign 10 months ago. But he later learned back from that brawl with romance—and so, it appears, has Flowers. Three nights before Clinton's Nov. 3 election victory she appeared at a Hollywood party escorted by a man wearing a Bill Clinton mask. And in the current issue of *Playboy*, "Flowers," 44, bares both her body and her soul. Among other things, she says Clinton is 6'2" 10 in a lover and claims that he performed sex "like a champ." Clinton said Roseanne Barr called Flowers's allegations "just lies." *Playboy* editors declined to say how much they paid for the interview and photo session, but Flowers clearly has a number of other financial opportunities. Last week, she flew to Spain to sing on a national TV show. And according to her *Playboy* bio, she's going to be getting some jobs after from U.S. hospitals where she has lent her energy to cancer. "Finally, when just a little bit burned out by it all," True said. But he added, "I guess if some sort of major loss in Las Vegas were to call, that would be a different story. I'm sure there'd be some considerable compensation there."

## PASSAGES

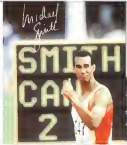
**DEED:** Actor Chuck Connors, 75, of long memory, in a Los Angeles hospital. Born Kevin Joseph in Brooklyn, N.Y., the sweet, five-inch Connors played basketball with the Boston Celtics and baseball with the Brooklyn Dodgers and Chicago Cubs before embarking on an acting career. Although he appeared in 54 movies, his best known for his starring role in *The Rifleman*, a TV series that ran from 1958 to 1963. In 1961, he Connors played a New Mexico lawbreaker and single father who helped exonerate the aid of a Winchester rifle featuring an overseas lover.

**CROWNED:** Bruce Biddle, 25, as world heavyweight champion, after knocking reigning champ Evander Holyfield, 30, in Las Vegas last. Biddle's next fight could be against Lennox Lewis, 27—now based in Britain—who defeated him to win the gold medal for Canada at the 1984 Olympics.

**REPORTED:** To London, British novelist and Bloomsbury spokesman David Irving, 58, after an immigration hearing in Niagara Falls.

**ACCLAIMED:** Actor Commissioner Norman Lasker, 54, as president of Interpol, by delegates of the 144 member countries of the international criminal police agency at its annual meeting in Bern, Switzerland, who will receive Lasker's efforts in helping international crime.





Michael Smith, Canadian Decathlete

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## AN AMERICAN VIEW



# How Bill Clinton learned his lessons

BY FRED BRUENING

**B**ill Clinton is a tough customer with a ton of political savvy. Early on, he got hit hard by the Georgia Powers deal and didn't flinch. It might be argued, in fact, that the closer fellow from Arkansas knew all about that Georgia tobacco briefcase worked to his advantage. If an obscure candidate struggling to capture his party's presidential nomination suddenly cries national attention because of an alleged affair several years ago—well, maybe that guy is more important than anyone thought. Why else make such a big deal? Does Madison care when India and Japanese officials make a fuss about her sexy collarless back? You say reasons for that kind of trouble.

Throughout the campaign and straight through election day, Clinton earned respect as a politician as he progressed to do with the American economy. Meanwhile, George Bush failed away slowly. He concentrated on Clinton's recent history as a Vietnam War protester and on the great issue of whether his opponent could imitate a jerk. Bush even allowed caricatures to suggest Clinton was involved in the Soviet Union by sinister forces "very presidential."

When this being tried, this stuff was 20 years out of date. In the home and away college graduates can't find jobs, lobbyist executives see careers melt, crime climbs and a general feeling abounds that the only thing America can do half right is to sit and stare stupid little war re-arrange the other guy's terms and look better in paradise and an army of self-worshipers (Desert Storm). An important act that occurs plucked nothing—yet even the president's arbitrary effect of winning for George Bush a second term. The late, the President learned that you can't fool all of the people all of the time. It's a lesson Clinton never forgot.

So you had Bush winning in his political war about the "most thing" and you had Clinton maintaining his focus, early taking the lead.

*Our view of political complexity is that there isn't any—everything is simple. No plots or subplots, just car chases and bedroom scenes.*

Bush wanted to talk about personalities. Clinton had on his agenda jobs and foreign trade. Bush leans down on Clinton's draft record. Clinton says, fine, let us now discuss national health care. Bush rules. Democratic vice-presidential candidate Al Gore "Dance Man" because Gore is big on congressional priorities, and Clinton reminds that day that he and possibly never on plans for a new educational law program.

Why didn't someone tell Bush he was doing it wrong? The Governor of Florida says: Spend all your time winning war might be to war and about Clinton's habits as a hypocrite, just by soon we are going to get the idea that this Clinton must be a lot better. At the same time if that's all you manage to say, we are going to think that you are a seriously limited individual who has a much idea of what to do and who wants for very little. "Victims" The draft? Marijuana? You have to be very rich, or very out of touch, or maybe both, to believe Americans still worry about rubbish like that.

American elections are representative over even, anyway. A thousand dirt in the superlatives let says, "What you want to do?" One side says, another says "I don't like any of them, the public room. But things are bad. My kid's out of work. We need a change. Bush had his chance. The go-

ing for the other side. Clinton "Gore is not a safe society. We do not sit around with strong coffee and bottles of insulin and discuss the consequences of the decline of world socialism. We do not argue our own history or the history of any one else. Our view of political complexity is that there isn't any—everything is simple, so the nation. No plots or subplots, just car chases and bedroom scenes. Most of us live in the present. The future and past have no bearing on our lives.

Thank television for this, or an overloaded, crowded educational system, or the desire to have that deeper modern life. Who's going to spend Saturday night debating protectionism and the trade deficit if he can just as well go down to the multi-screen and see *The Mighty Ducks*? At 45, Bill Clinton may intuitively realize that the culture is in creative stagnation and that people are implicated because there doesn't seem much to believe in any more. Maybe he knows that we are prisoners of technology and of a presentness we no longer can afford—this is one can afford. Give them a little hope, a whiff of resistance, a sign that Washington can make a difference. Tell them television is a machine designed to serve their needs and beliefs, the system that the majority is not at control. Remind them that their heritage was built on faith, not fear.

Of course, Republicans treated out the big government threat but that, too, was the wrong game. Sure you get a response. You get people shaking their heads and saying the first have no business in there here and that they're sick of all the lawsuits. So what? People talk like that because, for 15 years, and really, ever since Franklin Roosevelt, they have been told government is the enemy. Ronald Reagan got himself eight years of free runs and board tampering on the idea and this time around you had Bush using the same thing, only less convincingly. The President tells America abortion should be outlawed, at the same time he suggests government should tell Americans do as they please. Make sense?

Clinton had a better angle. He handed all over the country is losing, asking Americans that government and the people are a powerful partnership. Abortion? Well, he's not happy about abortion, but doesn't think that Washington should get involved in as private a matter. Government can better focus on doing with its thing, says Clinton. Crime, racism, urban decay—let's get the show on the road.

Let there be something the president-elect better get straight. You can be bright and you can be good-looking and you can answer that staccato band practice reminiscent of Jack Kennedy. You can make Americans feel something grand as if about to happen after years of treacherous and division. Impassioned leadership takes more than just live right answers, though. When Clinton talks about a new love of (Democrat), you have to wonder who he really means. What does it mean to sincerely let says, "What you want to do?" One side says, another says "I don't like any of them, the public room. But things are bad. My kid's out of work. We need a change. Bush had his chance. The go-

Bill Clinton remembers





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# ISSUES OF TRUST

The 42-year-old Canadian diplomat made no attempt to hide his disappointment with the organizational skills of his peers. "The department, in one single phrase, is in a mess," Lester B. Pearson, then the second-in-command of the Canadian High Commission in London, told his superior, Vincent Massey, after a visit to Ottawa in 1958. "Instead of the best, this must be about the worst departmental organization." In the decades since Pearson's criticism, that scathing assessment, the slow surge of diplomats, analysts and trade officials at External Affairs has managed many diplomatic triumphs, while never quite dispelling the department's reputation for weak administration. In several reports over the past five years, the federal auditor general has criticized poor accounting procedures within the department. And this week, a 30-year career public servant will appear in court in Ottawa on fraud charges—the latest in a series of recent allegations that have dealt a serious blow to the image of Canada's diplomatic corps and diminished thousands of External employees at home and abroad.

So far, investigations by External's own auditors and the Royal Canadian Mounted Police have uncovered abuses of public funds by at least 275 External Affairs employees—roughly one in every 14 staff members. As a result, more departmental officials have landed out of a total of 1,332 days of suspensions without pay and fines totalling \$4,750. They have also fired three employees in the last year, the most recent dismissal occurring last month after a 40-year-old Gerald Richards, an Ottawa-based trade development officer, was found over \$1,000 Richards, whose hearing was adjourned late last week, is expected to enter a plea in the case this week. After apologizing any that they expect to be more criminal charges in late November or early December, and more charges will likely follow. Said a senior External Affairs official last week: "Anybody who is charged and found guilty will almost certainly be dismissed."

The first intimations of scandal came in 1986, when two sharp-eyed clerks in External's modern brown headquarters in Ottawa—Lester B. Pearson Building—acted as whistleblowers in advice expenditures. An official at the Canadian Embassy in Paris, they discovered, had filed expense claims for the cost of unpaid airline tickets. "Once that happened, we realized that this was likely to be more widespread," an External official recalled last week. "Once we started pulling on the string,

## ALLEGATIONS OF FRAUD AND THEFT BY OFFICIALS AT EXTERNAL AFFAIRS LEAD TO CHARGES AND DISMISSALS

the swarms started to unravel." The personnel and corporate management branches of External Affairs then launched a sweeping investigation into airline ticket claims by departmental staff.

The major thrust of the inquiry since then has concerned bogus travel claims by officials who falsely reported the cost of airline tickets for trips home to Canada. Under their colorless agreement, External employees who belong to the Professional Association of Foreign Service Officials (PAFSO) and who serve in specified areas of the world—including Eastern Europe, Africa, Latin America and Asia—can claim the cost of one trip home a year for themselves and their families. In other cases, staff members can receive home leave frequently. The problem arose when some employees, entitled to reimbursements for full-fare economy round-trip tickets to Canada, purchased those tickets but then exchanged them for far cheaper excursionist tickets. Later, they submitted claims for the full economy fare, which in many cases was more than \$1,000 more than the discount fare.

The bogus travel audit has been anything but lenient. In their investigations, External's cost auditors estimated a total of 53,000 tickets and reimbursement claims by departmental employees dating back to 1986. Of those, about 23,000 raised suspicions. Copies of the tickets were sent to more than 700 airlines for verification. In the end, the auditors decided that 445 tickets purchased by 364 employees were claimed illegitimately as expenses. The sanctions imposed by the department ranged from oral reprimands to 30-day suspensions, without pay, as well as fines and orders to repay the difference between the cost of discounted and full-fare tickets.

In addition to false expense claims, the Canadian Embassy in Mexico expenses



department's investigation turned up evidence of further illicit activities by about a dozen employees. Massey's law learned that in one of these cases, an External official based in Ottawa had travel expenses at the expense of several Mexican department employees, collecting thousands of dollars in false expenses. Neither the department nor police will report information on such individuals until the inquiry is complete and Ottawa's Crown attorney has decided whether to lay charges. But an

Oct. 14 memo from Bill Chelak, External's assistant deputy minister for personnel, said that "several" employees are now under investigation by the department's internal disciplinary committee for such offenses in falsification of exchange-rate receipts, failure to report salary overpayments, concealment of conflict-of-interest guidelines, "visa fraud" and "bribe-taking." The memo added that some diplomats are out of touch with current economic realities and "tend to become unaware of the consequences to the government of misdirected travel."

The drive to improve financial accountability has clearly sent shock waves far beyond Canada's borders. "It's a bad sign," said a consular official in a Third World embassy, stressing that the revelations underscore the need for better management rules and more stringent accounting procedures within the department. He added, "It's a matter of concern because it involves the reputation of embassies who work for Canadians."

As well as imposing fines and suspensions, External's senior officials say that they have recovered nearly \$454,000 from department staff who filed false claims for travel expenses. But some observers want that stiffer penalties are in order. Dejected Donald Boudier, the Liberal critic for government operations, "I'd sometimes wish it was double \$1,000 out of the till of the parliamentary auditor, so you think he would get off with a suspension!" Boudier also complains that the investigation has taken longer than necessary—although he acknowledges that "there are many people involved and they are spread out over a vast territory."

Two officers from RCMP headquarters in Ottawa have been assigned to the case since External called in the police in 1988. According to RCMP Inspector Gérard Boucher, those officers have been traveling to diplomatic missions as far away as Africa. Said Boucher: "They were not all that well received in some of those places."

The allegations of fraud and misuse of public funds

## National Notes

**AN ARCTIC MILESTONE**  
About 7,706 miles in the Eastern Arctic would 66 per cent in favor of accepting the largest land-claim settlement in Canadian history. Under the deal, the Inuit will give up claims to 780,000 square miles of land in northern Canada to 140,000 square miles—the size of the state of Alberta. They will also receive \$2.5 billion from Ottawa over 14 years. Early next year, Parliament is expected to pass legislation that will lead to the creation, in 1999, of a new federal territory, Nunavut, which will include the land-claim area and "traditional" Inuit lands. The deal could comprise 50 per cent of that territory's population. Nunavut will in effect have no vote in parliament.

**THE VILOR AND THE APOLOGY**  
Six or seven weeks after Margaret Trudeau's report stating that The Pillar and the Mirror, a TV series that critically examined Canadian military leaders during the Second World War, contained errors, distortions and unsubstantiated assertions. Accepting those findings, CBC president Gerald Willson pronounced that "our scrutiny of programming of this kind will be improved substantially." Brian McKenna, director and co-writer of the series, which aired in January, called the broadcaster's report "a miscarriage of justice."

**FIGHTING SEXUAL ABUSE**  
The Alberta College of Physicians and Surgeons adopted a policy of "zero tolerance" towards doctors who sexually abuse their patients, including a promise to publish the names of physicians found guilty of sexual misconduct by the college.

**CLARK ON THE ATTACK**  
In his first major speech since the defeat of the Charlevoix accord on Oct. 24, Constitutional Affairs Minister Joe Clark lashed out at what he called "a senior politician" presided by Reform Party Leader Preston Manning during the referendum campaign. In Calgary, Clark charged Manning for repeatedly calling the accord "Manning's deal" when it had been agreed to by 17 federal, provincial, territorial and aboriginal leaders.

**CANCER CONTROVERSY**  
The results of an eight-year Canadian study of breast screening sparked a controversy after researchers concluded that the use of mammography to detect early signs of breast cancer failed to reduce the death toll from the disease among women under 60. Critics challenged the methods and equipment used in the study, which was led by University of Toronto researchers and involved 90,000 women.

have come as a further blow to a department already suffering from low staff morale. Since Prime Minister Brian Mulroney's Conservatives took power in 1984, the department's workforce has been cut by 806 employees, to the current level of 3,713. Of the 208 foreign missions, External employs another 4,689 support staff who are citizens of host countries.) A 1990 study by HANS declared that "isolation has plagued and morale is stagnant," adding that, "the department is under siege from the outside and consumed by fear from within."

Since that study, the morale has deepened as a result of a break with the long-standing tradition of mutual responsibility in the so-called *Manitaf Affair*. Three weeks after Barbara McDougall took over the portfolio from Joe Clark in April, 1991, the federal government asked special entry into Canada to a former top-ranking Irish diplomat, Mohamed Al-Manhal, whose most recent posting had been as Saddam Hussein's envoy in Washington. McDougall later said that *Manitaf's* arrival was the result of "a whole series of errors of judgement"—and pointedly blamed two senior officials, Raymond Chrétien, now Canada's ambassador to Belgium, and David Dowling, Clark's former chief of staff. Says Pim Hooft, a Carleton University professor of international affairs: "Morale is always low in that department, but since Al-Manhal it has sunk even lower."

For his part, John Kirton, a University of Toronto political scientist who specializes in foreign policy, says that many foreign service officers who were already "used to working 13-hour days" saw their resources and the department's staff size dwindle during the 1980s as the workload increased. According to Kirton, many of them "became used and complacent and saw themselves as rejected." He added, "They did not have the resources to do

the job they thought they should have, so they began to push the margins."

But such excuses provide no excuse for the repeated abuses, says the *Liberal's* Boudine. "It's a lot more worried about what happens to morale when people who do wrong go unpunished," she adds. "The innocent, and up



McDougall attempting to restore order

being terminated here. But the vast majority of External employees, I suspect, are very honest people." Moreover, Boudine says that there are larger issues at stake in the current investigation: "If you can't trust someone with an airline ticket," he asks, "how can you trust

how to represent our country abroad? This is the fundamental question."

Others, however, see the ongoing investigation as clear evidence that the department is being as clean as its own house after years of abuse and sloppy accounting. Said McDougall recently: "We have a good department, and I stand by them. If there are problems, then they will be dealt with in the appropriate way." Kirton, meanwhile, credits both the minister and her new undersecretary, Basil Morden, for new director of the Canadian Security Intelligence Service, with restoring order to External. Not only does the investigation "reassure the taxpayer," he says, but it reminds the department of the standards it boasted in earlier times.

Extern's Internal unit sent officials upon that nothing parties found among the department's employees. Said an External official: "We are committed to zero tolerance—anything else is absolutely totally unacceptable." As Garrett Lambert, External's assistant deputy minister of corporate management, stated in an Oct. 14 message to all Canadian mission overseas, the department's aim is to "be put behind an all aspects of this unfortunate episode." In an interview, Lambert stressed that it was External itself that is leading the reform against in-house double-dealing. Said Lambert: "This investigation is the result of our own crisis—and this is the end of the story, not the beginning." Canadian taxpayers will undoubtedly want to hold the long-suffering department to that promise.

GLEN ALLAN and LAURE FRANK  
and E. KATE FULTON in Ottawa

## SMOKING OUT THE DIPLOMATS

In the past, most expatriates of foreign embassy officials from Ottawa involved allegations of espionage. But with the Cold War over, diplomatic transgressions are now mostly more common crimes. One case arose in April, when the RCMP arrested and charged a Montreal man who was seen smoking 16 cases of tax-free cigarettes as he ran outside the home of a Canadian diplomat. The man was fined \$8,000, the diplomat was not charged, but shortly afterward he returned to Ottawa. Other diplomats have been treated more harshly. Four foreign embassy staff members from two other countries, who used their diplomatic status to purchase cigarettes tax-free and later sold them at a profit, have been expelled over the past year as Canada begins to tighten the traditionally wide

definition of diplomatic immunity.

For the most part, Ottawa's 10,000-career diplomatic community operates in a separate personality, with special privileges and protection from the law. Their parking and traffic violations go unenforced and, pseudo-immunities for criminal offenses are often left to the governments of the 118 individual nations represented in Ottawa. Indeed, only the most serious infractions result in expulsion. During the Persian Gulf War in January, 1991, five of the seven diplomats at the Iraqi embassy were expelled, while in 1988, during a week-long spy scandal, Canada expelled or barred the entry of 39 Soviet diplomats suspected of spying.

Although neutral-often department representatives say that they still prefer to settle disputes privately, they add that they are now less willing to turn a blind eye to frequent abuses. The cigarette caper, for one, resulted from a tobacco industry report revealing that the number of tax-free cigarettes purchased by diplomats jumped by 400 per cent from 23 million in 1986 to 113 million in 1991. The

study concluded that the diplomatic corps was smoking one in five of the cigarettes sold in the country, the rest in a black market that in total had dropped an estimated \$1 billion from government revenues. Since the government began cracking down in February, diplomatic purchases of cigarettes have dropped sharply, and are now running at about 20 million a year.

Less serious violations have also captured Ottawa's attention. Ontario conservation officials caught Belarus Embassy staff members with too many fishing licenses through the ice last winter. And on at least two recent occasions, Chinese diplomats received warnings after they were found illegally fishing for carp in the Ottawa River. Cigarette peddling and illegal fishing hardly fit the once-mystic cloak-and-dagger image of the foreign service, but in Ottawa, it seems, profit takes precedence.

E. KATE FULTON and LAURE FRANK  
in Ottawa

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# The children's loss

The families of dead miners demand the truth

Six months after Robert Fraser's life ended in a mine shaft, 1,200 feet underground, the sadness is almost palpable in a white bungalow in Westville, N.S. There, his widow and four children under the age of 11 struggle to accept their loss. A wedding day photograph of the smiling dark-haired Pictou County native is displayed on a living room cabinet. Nearby is the white mining helmet that he wore on Sept. 11, 1994, the day that the Westray coal mine officially opened its

doors. Why the explosion occurred and who or what was ultimately responsible for it—last week Chief Justice Constance Gibe of the Nova Scotia Supreme Court ruled that the judicial inquiry requested by Premier Donald Cameron on May 15 to investigate the tragedy was unconstitutional. Said Fraser: "It is a major loss. Without an inquiry we will never be able to prevent something like this from happening again."

Still, some action has been taken. After the



Fraser and infant son Alexander: I want to see these people go to jail\*

notably Plymouth. Seated on a sofa, Joyce Fraser, 36, cradles one of her most treasured reminders of her husband—her infant son, Alexander. He was born on Aug. 16, six days after a methane gas explosion ripped through the Westray mine, killing his 25-year-old father and 25 other miners. "The saddest part is that the kids will never know their father," Fraser says. For that, she blames Westray officials, who she says knew that conditions at the mine were unsafe. Adds Fraser: "I want to see these people go to jail."

The pain and frustration also continues for the other Westray families who lost their husbands, sons, brothers and fathers in the tragedy. Their mourning rage is directed not only at the mine's officials, but also at the Nova Scotia government, which they charge with complicity in the May 9 disaster. Now, many family members worry that they will never

explosion, both the Nova Scotia department of labor and the RCMP launched investigations into the accident. On Oct. 5, the labor department laid 12 charges involving provincial safety law violations against the mine's Toronto-based owner, Cornish Inc., and four Westray officials. Each charge carries a maximum \$10,000 fine or a year in jail, or both. The state, meanwhile, continues to pore over evidence taken from the Plymouth mine shaft as well as 26 cartons of documents relating to the disaster. Last week, RCMP officials told MacIsaac that they may take as long as three months to decide whether to lay criminal negligence charges against Westray. A conviction of criminal negligence causing death carries a maximum penalty of life in prison for individuals and an unlimited judge-imposed fine for a corporation.

And the same, family members say that only a

full inquiry will allow them to move on. In particular, they want to know the extent of the Nova Scotia government's involvement in the mine—and its responsibility, if any, for the disaster. Labor Minister Leroy Legere has acknowledged that on April 29 some inspectors advised Westray to close on dangerous levels of explosive gas dust—but on a subsequent visit they failed to check if Westray had complied with that order. And the mine would almost certainly not have opened without the support of Cameron, who helped Cornish secure a \$12-million provincial loan as well as a \$1-million gas dust test for most of a \$100-million bank loan and \$4 million in federal interest-free subsidies.

The full truth, however, may never be revealed. Initially, the Westray families welcomed Cameron's appointment of Nova Scotia Supreme Court Justice Peter Richmond to lead a public inquiry into all aspects of the disaster. But that inquiry was plagued by problems from the start, including provincial Supreme Court challenges launched by mine Westray officials. Those lawyers argued that the inquiry was unconstitutional because any evidence that it uncovered could compromise their clients' right to a fair trial on any criminal charges that might be laid in the future. Last week, Chief Justice Gibe upheld those arguments. "No inquiry cannot be turned into a criminal investigation," she said in her ruling. She added, however, that an inquiry with more limited terms of reference could still proceed.

The same argument the Westray miners, the United Steelworkers of America, launched an immediate appeal of Gibe's decision. "If an inquiry doesn't occur it means that the May 9 disaster will never be fully investigated," declared Raymond Leikin, a lawyer for the mine's local UMW. "And things that could have been uncovered to prevent other disasters will never be known." Nova Scotia Attorney General Joel MacIsaac said that the government remained committed to holding an inquiry. But he added that he had not yet decided whether to launch his own appeal or to change the inquiry's mandate.

The Westray families say that they, too, may consider challenging Gibe's decision. But the legal wrangling has left many of them discouraged. "The whole process has been emotional, it's draining and terribly frustrating," says Genevieve MacIsaac, 37, a member of those whose 23-year-old husband, John, was killed in the explosion. Adds David Gibe, 30, a New Glasgow mother of three whose husband Myler's body is one of 11 that remain buried beneath tons of rubble. "We all want to get on with our lives. We can't do this until we find out what happened and why."

In the meantime, the pain remains. "Thank God the children have passed on something else to focus on," says Joyce Fraser. "But sometimes I'm just overwhelmed by everything." That is clearly the hardest struggle—struggling to forget the horror of their loss, even morning in early May.

JORIN DE MEUSE in Halifax

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# CLINTON'S NEW WORLD ORDER

**ELECTED TO FIX THE ECONOMY, AMERICA'S NEW PRESIDENT FACES A DANGEROUS AND CHAOTIC WORLD**

In the smoldering wreckage of Yugoslavia, the 38-month-long war, led by implacable ethnic hatred, claimed more victims, more of them civilians. On the high plains of Angola in southwest Africa, 2,000 people were killed in fighting between government and rebel forces. In Belfast, anguished townsfolk ending 23 years of sectarian violence in Northern Ireland broke down, and in Washington, U.S.-backed Arab-Israeli peace talks became stalled. The pattern of often-endemic, seemingly intractable strife was repeated again and again around the globe last week—in Israel, Lebanon and Liberia, in drug-laden Colombia and across the misty mountains of southern Russia. "Make no mistake about it," president-elect Bill Clinton said at a midweek Veterans Day ceremony in Little Rock, Ark., "this is still a dangerous and uncertain world. These dangers could prove to be as great a challenge for America's 43rd chief executive as rekindling the sluggish economy."

Several of Clinton's predecessors found themselves confronted by acute immediate perils early in their administrations. Dwight Eisenhower inherited the Korean War from Harry S. Truman. Lyndon Johnson and Richard Nixon both struggled with the Vietnam War. But those, for the most part, were well-defined issues directly involving the United States and over which it had some control. By contrast, the wars and interludes facing Clinton, part of his legacy from George Bush, are distant, more complicated, far more numerous

and, in the long run, perhaps equally explosive.

While Clinton told the Arkansas veterans that he would rely on training, mobility and advanced weaponry to keep the United States "the strongest country in the world," he remained unconvinced about his plans when speaking with world leaders who called with their congratulations. When Democratic President Leonid Kravchuk said that he would surrender his nuclear weapons provided that Russia paid for them, Clinton merely welcomed Kravchuk's promise to "work hard to be a stabilizing factor." The president-elect told Nigerian President General Ibrahim Babangida that he welcomed his efforts to bring peace to neighboring Liberia—even though one side in that country's bloody civil war has accused Nigeria of aiding with its money. Similarly, in conversations with Egyptian President Hosni Mubarak and King Fahd of Saudi Arabia, Clinton said that he wanted the Middle East peace process to go forward, and voiced concern about the possibility of a new nuclear power in the region—Israel, which has been told two submissives from Russia and is developing a nuclear program.

On the same day, Clinton's office released his most detailed remarks so far on any foreign-policy issue as an interview with the Washington-based journal *Middle East Insight*, given four days before the Nov. 3 presidential election. But even then, he carefully avoided some delicate subjects. Said Clinton: "I did not want to get into the speed of dangerous missiles in the Mideast and avoid on a strong international effort to keep weapons of mass destruction out of the hands of nations like Iraq, Syria and Libya." The candidate also expressed his support for Israel, saying, "Our policy must include not only an effort to reduce this spread but a reaffirmation of our strong commitment to maintaining Israel's qualitative edge over its potential adversaries."

In his first news conference, later in the week, Clinton promised that by the time he took office, he would have clearly defined foreign-policy and national-security goals. Among them, a scaled-back defense budget spread over several years, nuclear arms cuts with Russia and other nuclear powers, an international agreement limiting the proliferation of



all weapons of mass destruction and ensuring the continuity of the Middle East peace talks.

However, that process lagged down last week when Israeli troops and Lebanese-based guerrillas pounded each other with rocket and artillery fire.

Clinton's repeated references to the need for international co-operation in resolving disputes seemed to indicate that he will increase American support for the United Nations. Such an approach would relieve pressure on countries such as Canada (its peacekeepers from Canada and Pakistan have already been deployed in the war-ravaged and starving east African nation of Somalia, where the U.S. state department has accused neighboring Kenya of meddling).

So far, the United Nations has not intervened in another conflict—the Liberian civil war. But U.S. Assistant Secretary of State Herman Cohen said last week that it may be hard to play a role. At the same time, a spokesman for Aguirre's UNIA rebels, which challenged the legitimacy of recent elections in which an unstable three-month reign by secessionist, said in Washington that his people would accept the outcome of runoff elections if

Clinton in Little Rock: Inheriting a legacy of numerous wars and rebellions

the United Nations would supervise them.

But the United Nations will be of little help to Clinton in four trouble spots that could provide the stiffer foreign-policy tests of his administration. Neither the world body nor the European Community has been able to discourage the slaughter in the rain of Yugoslavia where its peacekeepers, trying to feed and protect fleeing civilians, have themselves come under fire. Secondly, Irish-Americans have pressured successive American governments to push for the ouster of British Prime Minister John Major from Northern Ireland, where sectarian tensions between Protestants and Roman Catholics continue to seethe, as do part of its homeland and has steadily rejected outside mediation. And in Cambodia, government forces and drug overlords are locked in a kind of loose civil war beyond the reach of Western nations excepted by the unimpeded export of narcotics.

However it is in the fourth region—the lingering and unstable countries of the former Soviet Union—that Clinton, like Bush, will probably become most deeply stung. Last week, Russian President Boris Yeltsin told

legislators in Moscow that he faced the threat of a right-wing coup but that, if candidates won, he could handle it. On Dec. 1, Yeltsin will be challenged in the Congress of People's Deputies, Russia's top legislative body, by right-wingers demanding that he slow the pace of reforms. Yeltsin is likely to survive that battle, but Russia's fragile experiment with democracy is far from assured. Among the thornier aspects of Russia-U.S. relations that Clinton will have to consider how to push forward with nuclear disarmament; dealing how much and what kind of assistance to furnish as aid to hard-hit economic disintegrating; and how to reverse the noticeable decline in Russian willingness to support Washington's line in international affairs. For the governor of Arkansas, managing the affairs of his predominantly rural state, in retrospect, seems to have been Clinton's play next to dealing with a divided and turbulent world.

**BAR CORRELL** with **JULYAN HACKETT** in Washington. **MALCOLM GRAFF** in Moscow and **correspondents' report.**

## World Notes

### WELCOME ABOARD

Under orders by a federal judge, the U.S. navy reinstated sailor Keith Moshaid, 26, who had been discharged because he declared his homosexuality. Moshaid charged the constitutionality of his discharge to court. Defense department regulations continue to bar gays from the armed forces, but president-elect Bill Clinton has said that he is committed to ending the ban. In Canada, a Federal Court judge last month ruled instructions on homosexuality in the military rules that the rules violate the Charter of Rights and Freedoms.

### A BRITISH ARMS SCANDAL

Prime Minister John Major announced an independent judicial inquiry to investigate allegations that British sold arms to Iraq despite a self-imposed embargo. Secret papers released at a recent trial appeared to show that the government of Margaret Thatcher, Major's predecessor, secretly approved arms sales to Baghdad just two weeks before Iraq invaded Kuwait in August, 1990.

### TURBULENCE IN COLOMBIA

Amid a wave of violence by Marxist guerrillas and violent warlords, Colombian President César Gaviria declared a national state of emergency, allowing him to suspend laws and issue emergency decrees for up to 90 days.

### WOMEN PRIESTS

Overturning centuries of tradition, the general synod of the Church of England voted to ordain women as priests. If the British Parliament and the Queen consent, about 1,250 female deacons will become eligible for ordination by 1994. Anglican women will have the right to preach women in their parishes. In Canada, the Anglican Church has been ordaining women in parish since 1976.

### DEADLY CARGO

A Japanese freighter carrying 1.7 tons of radioactive plutonium left France on a controversial seven-week voyage to Japan. A German ship is trailing the freighter, monitoring as it plugs to keep 200 miles from land during the voyage. Japan says that it will use the European-produced plutonium as fuel for an experimental generation of nuclear reactors.

### THE COLON PURPLE

Brazil's suspended president, Fernando Collor de Mello, was charged with corruption for his alleged role in a \$60-million suitcase-peddling scheme. Collor also faces impeachment.

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# EUROPE'S NIGHTMARE

## COVER

Let us entertain no illusions. Something evil is afoot.

—German President Richard von Weizsäcker

**T**he evil that von Weizsäcker referred to when he addressed a crowd of 350,000 in Berlin last week is partially apparent across Germany and much of the rest of Europe: violent attacks on foreigners, denigration of Jewish communities and open calls for a return to the rule of law. To the casual observer, Europe's old demons of nationalism and antisemitism seem to have slipped their leash once again. That impression could only be reinforced by the sight of von Weizsäcker delivering his appeal for tolerance from behind the shields of a phalanx of riot police after standstills had pelted him with eggs at what was supposed to be a peaceful rally in favor of "human dignity."

The explosion of xenophobia across Germany, spearheaded by small groups of fanatical fascists, is the most spectacular sign of Europe's new sour mood. But there are larger concerns than the poisoning of von Weizsäcker in half a dozen countries.

Right parties with articulate leaders have attracted rising support in elections. The Republicans in Germany, France's National Front, the Freedom Party in Austria and Belgium's Flemish bloc have different regional shadings, but their core message is the same: when Europe is under threat from invading foreigners, and their solutions are inescapably similar, any compromise and threat the foreigners out. The message may be simplistic, but it has some appeal. The far right has won seats on local assemblies, and a new poll shows that Germany's Republicans would win their first seats in the federal parliament in a national election.

Experts are even more concerned by the rightists' effect on mainstream parties, which now echo some of the extremists' rhetoric. In France, conservative leader Jacques Chirac spoke openly about "nasty, nasty immigrants"—language usually associated with the National Front's beribboned chief, Jean-Marie Le Pen. In Germany, Chancellor Helmut Kohl warned recently that the influx of asylum seekers might provide a "state of emergency"—and facilitated rather than calmed fears. Meanwhile, the far right watches with satisfaction as mainstream politicians adopt their slogans. "Today they criticize our measures," says National Front strategist Bruno Mégret. "Tomorrow they will try to borrow them."

Europe's voters have moved to the right for many reasons. The end of the Cold War made established political patterns seem outdated, and it disoriented the leftist parties. Many of Le Pen's working-class supporters formerly supported the French Communist Party, and their vote for him amounts to a gesture of defiance towards the established parties. "This is



essentially a protest vote," notes Michael Badgley, a specialist in European politics at the London School of Economics. "It's not a vote in favor of these parties actually taking power."

The other issue driving the rightists' recent successes is immigration. There is a widespread perception across Europe that the continent is being flooded by immigrants—mostly poor, non-white and non-Christian. In fact, demographics say there is no such influx into most countries. Regular immigration is actually down substantially from its high point in the early 1970s, from 1.2 million in 1973 to about 800,000 annually now. But behind the scare talk lies a deeper fear: that the number of non-white Europeans is rising quickly because of their higher birthrates. Multiculturalism, a favorite concept to Canadians, is shunned by Germany or France.

Germany, though, does have a real problem with newcomers—not the common immigrants, but refugees with the tens of thousands of seriously damaged political refugees every month. The crisis arose not because Germany dislikes foreigners, but because it has one of the world's most liberal policies towards would-be refugees. Its 1949 Constitution guarantees refugees the right of asylum, which caused few problems when the Iron Curtain shut Germany's borders to the east. Now, the influx of asylum seekers has reached unmanageable proportions: a record 260,000 in the first 10 months of this year alone, up a staggering 81 percent over 1991. And a large proportion of them are being lodged in eastern Germany, whose people never learned to deal with foreigners during half a century of dictatorship.

**Frontiers:** Mainstream politicians are reacting to temper the backlash, but only slowly and often clumsily. European Council say ministers plan to meet at the end of November to discuss tighter security around the EU's outer borders as they prepare to abolish frontiers between member states. In Germany, Kohl wants to amend the constitution to limit the right of asylum and give police the power to turn away many would-be refugees at the border. But his critics charge him with pandering to the right by being to order a determined crackdown on violence against foreigners when attacks started last year.

Already, respected political figures are drawing dark parallels between Germany's current problems and the ill-fated Weimar Republic, the shaky, post-First World War democracy whose collapse at the hands of political violence paved the way for Hitler's rise to power in 1933. Those comparisons are vastly overstated. Germany now has a strong economy and the great majority of its people support the political mainstream. Von Weizsäcker himself cautions that Weimar failed "not because there were too many Nazis but because there were too few democrats for too long." Fortunately for Germany, and the rest of Europe, there are now plenty of democrats prepared to challenge the extremists and the evil that across the Atlantic continent.

ANDREW PHILLIPS in Berlin  
with MARK KANGAS in London





case of black-and-white winter coats. "They're searching for their identity, like young people everywhere," says Meyer. "And if someone comes along with a clear program, it's easy to go along with it." There is no danger, he adds, that a group like Deutsche Alternative could ever take power. But by agitating among lost people, it has already pushed mainstream politicians to the right. "The big parties are taking over the slogans of these right radicals to keep power," he says. "And that makes the young people think they were right all along. What I fear is a gradual swing to the far right without people realizing it's happening."

The Office for the Protection of the Constitution, Germany's domestic security agency, has always monitored the neo-Nazi groups. Under German law, it is illegal to promote the old Nazi party, to deny that Hitler's regime systematically murdered Jews, to display Nazi symbols like the swastika, or to use the Nazi's straight-armed salute and slogans like "Sieg Heil!" In the past, the radical right was largely a collection of economic political losers who motivated only a loose network of contacts, but that may be changing. Ulfhard, the Hamburg security official, said that radical right-wing groups are acquiring weapons and increasingly co-ordinating their activities.

Another expert on the extreme right, Berlin chronologist Bernd Wagner, said that the movement is even more tightly knit. Wagner told *Markus* that top neo-Nazi leaders regularly gather to discuss their plans. At one important meeting, according to 100 people held in the center German town of Niederrhein in April, 1990 they discussed a nine-point plan for the future that dismantled the recent attacks on refugee centers. "Point 11 was that the problem of foreigners would have to be solved by violence," says Wagner. "But they don't need a central co-ordinating body. They are so like-minded that things work automatically."

Wagner studied extremist-right groups in East Berlin for several years for the old East German criminal police. Now a researcher at Berlin's Technical University, he warns that the radical-right groups are well organized at the local level. They form disciplined groups of 25 to 100 members, small enough to uncover government addresses and be able to act quickly in an upcoming demonstration and rallies. In parts of eastern Germany, in fact, they are better organized than the police—who are still poorly paid, ill-equipped and demoralized after

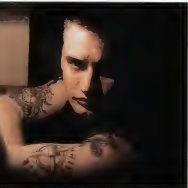


Photo by David Laundy

the collapse of the east.

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"Many smaller towns have so police at all, so there is a kind of vacuum of power." The far-right leaders who have tried to fill that vacuum vary from tough skinheads with a few dozen followers to sophisticated young political operators who have not hesitated to compete with the established parties.

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Another expert on the extreme right, Berlin chronologist Bernd Wagner, said that the movement is even more tightly knit. Wagner told *Markus* that top neo-Nazi leaders regularly gather to discuss their plans. At one important meeting, according to 100 people held in the center German town of Niederrhein in April, 1990 they discussed a nine-point plan for the future that dismantled the recent attacks on refugee centers. "Point 11 was that the problem of foreigners would have to be solved by violence," says Wagner. "But they don't need a central co-ordinating body. They are so like-minded that things work automatically."

Wagner studied extremist-right groups in East Berlin for several years for the old East German criminal police. Now a researcher at Berlin's Technical University, he warns that the radical-right groups are well organized at the local level. They form disciplined groups of 25 to 100 members, small enough to uncover government addresses and be able to act quickly in an upcoming demonstration and rallies. In parts of eastern Germany, in fact, they are better organized than the police—who are still poorly paid, ill-equipped and demoralized after

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as a danger to the state, he was bought out of jail by the West German government under a program enabling him to live elsewhere. Hitler looked up with bitterness in 1990, and now produces over his party's weekly paper, *Der Angriff*. He says that his aim is to win a seat on Berlin's city council, and eventually a place in the federal parliament in Bonn. Another key leader is Werch, the 34-year-old head of the National List. Werch typifies the well-known neo-Nazi, operating through the car phone in his Old Berlin and the far-right office in his Hamburg apartment. The son of a doctor, he inherited family money and has been a full-time political activist since he was 20. He has served a total of four years in jail for housing Germany's anti-Nazi laws, most recently for putting up posters denouncing "Israeli Holocaust victims." Still, Werch is well spoken and sets out his views calmly and rationally. Hitler, he says, was a great man. But Werch's personal hero is Josef Goebbels, the Nazi propaganda chief, "because he was a kind of artist. He made politics like other people make art."

Werch acknowledges that his group is largely about 30 full members and a few hundred

Canadian <b>MIL</b> MILAN 04-00-20	Canadian <b>TPE</b> TAIPEI 00-19-73	Canadian <b>MUC</b> MUNICH 00-05-15	Canadian <b>ROM</b> ROME 35-64-49	Canadian <b>MAN</b> MANCHESTER 01-81-03
Canadian <b>GO</b> NAGOYA 05-50-65	Canadian <b>AKL</b> AUCKLAND 22-65-04	Canadian <b>TYO</b> TOKYO 98-75-04	Canadian <b>LGW</b> LONDON 28-45-03	Canadian <b>FRA</b> FRANKFURT 08-60-03
Canadian <b>CDG</b> PARIS 06-45-18	Canadian <b>CDG</b> PARIS 03-55-04	Canadian <b>RIO</b> RIO DE JANEIRO 08-00-00	Canadian <b>SYD</b> SYDNEY 27-30-05	Canadian <b>SCL</b> SANTIAGO 23-95-47
Canadian <b>MEX</b> MEXICO CITY 00-50-04	Canadian <b>HKG</b> HONG KONG 56-50-04	Canadian <b>SAO</b> SAO PAULO 05-95-05	Canadian <b>BKK</b> BANGKOK 30-65-04	Canadian <b>HNL</b> HONOLULU 34-95-04

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sympathizers. "We're the spearhead of the radical right, the young warriors," he says. Wach does not let us see anywhere near the riots against asylum seekers in Stuttgart in late August. That, he says, was a spontaneous demonstration by local people angered by the invasion of their neighborhood by foreigners. But he insists, as if to hide his ambivalence that events seem to be moving his way. His program includes freeing Germany of foreigners by offering them money to go home or by deporting them if necessary. And like other radical rightists, Wach wants to recover eastern territory that Germany lost after the Second World War. "We would buy back our land from Poland," he says. "The mark is a stronger weapon than any tank."

Not all those who sport right-radical slogans are as serious as Wach. At his foot locker, with close-cropped hair, heavy black boots and a Skullf\*ckers T-shirt, 35-year-old Jago Heesbach looks like a regular visitor at a neo-Nazi skinhead. He decorates his sparse apartment in the East Berlin suburb of Lichtenberg with photographs of Hitler and Goebbels and carries a heavy metal truncheon for "self-protection." Heesbach's political outlook is the usual extreme-right blend: a mixture of xenophobia, white pride and nostalgia for a mythical National Socialist past when Germany was orderly and strong.

But over half a dozen beers at his local pub, Heesbach also offers some insights into why his movement is growing. He comes from a privileged family in the old East Germany; his father was a senior official in the state television system, and his mother was a journalist. The old Communist system, he says, prepared fertile ground for his movement. "The core was a type of socialism, with discipline and order," says Heesbach. "What we want is like a kind of socialism. The basic ideas are in many ways the same."

Heesbach's young companion, Thorsten Händemeyer, sports a "White Power" tattoo on his left arm and offers another insight into the attraction of the radical right for people like him. "It's not just politics," he says. "The main thing is being together as comrades. We help each other in everything—if you've got a problem with your job, at school or with your girlfriend, your comrades are there for you." In fact, say social workers who work with far-right residents, the discipline and companionship of the neo-Nazi groups is one of their main attractions for eastern German youths who miss the familiar structure of socialism.

In eastern Berlin, Heesbach and other local leaders lead rituals occurring ground among militant skinheads. There are about 6,500 of them across Germany, according to security officials. Some are neo-paganist and a few are even lesbian, but most are attracted to the hard-edged slogans of the extreme right. Their uniform of



Heesbach (right) with colleague Jago Händemeyer: consciousness prepared fertile ground

shaved head, black boots with metal-reinforced toes, tight jeans and leather jackets gives them a ready-made identity. And so does Germany's fast-growing skinhead rock scene, where bands with names like Skizzen (Punks of Disillusion), Knöchelring (Power Strides) and Raskaldel go on "radical" and "half" punk rock songs to a beat that screams heavy metal and punk.

At concerts, fans give the Nazis salute and shout "Sing Hitler" to lyrics such as those from Skizzen: "Our heads are shaved, our fists hard as steel/Our hearts beat true for the fatherland/We are the force, the force to clean up Germany!" In another song, called The Necessary, they describe the ideal skinhead: "He is a narcissist and a fascist/A murderer and a sadist/He loves war, he loves violence!"

## EUROPE'S MAGNET

Since the Berlin shift in 1989, the number of refugees fleeing to Germany has increased dramatically



And if you're not having, I'll lay you out cold!" The sketched bands do not violate the country's anti-Nazi laws, but the agency responsible for overseeing contrabands dangerous to children is considering banning sales of Skizzen's records to minors, and forbidding them from being advertised or displayed in public. That would not likely accomplish much: most sketched recordings are sold under the counter or through his magazines.

Government social agencies are trying to woo skinheads away from violence. In the eastern Berlin suburb of Lichtenberg, three social workers operate a program called Project Roots that tries to convince skinheads to channel their restlessness elsewhere. They have arranged soccer games between right-wing youths and teams of young Turks and Vietnamese. They even planned to take a group of skinheads on a trip through the deserts of Morocco, but that was cancelled after a tabloid newspaper reported that public money would be spent going "neo-Nazi" on exotic holiday. And the project has had other setbacks, as well. In September, left-wing radicals broke into its clubhouse, claiming that it was a hangout for Nazis.

More ominously, the work of groups like Project Roots is undermined by the general rightward shift in society. Every time local clashes erupt at a refugee hostel, or a leading politician sounds a warning about the influx of foreigners, the young right-wingers feel vindicated. "We can keep telling them that attacking foreigners will bring you trouble," says Hubert Schöer, head of the agency that runs Project Roots. "But they don't get trouble, they get applause." If that reaction continues, Germany's extreme right will keep growing—both in numbers and in confidence. And that may, in the long run, prove more threatening to an already unsettled continent.

ANDREW PHILLIPS in Berlin

# body language *n.* the nonverbal imparting of information by means of conscious or subconscious bodily gestures, posture, etc.



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# PANIC IN CALAIS

## FRIGHTENED RESIDENTS DRIVE OUT AN ARAB

Life has been a constant struggle for Christophe Beldelme. When his Tunisian immigrant father abandoned the family, his son and French mother placed the 13-month-old boy in an orphanage. He became a drug addict when he was 12, spending his youth on Paris streets striving to find his father. In September, Beldelme, now 18, decided to abandon his life of petty crime and drugs. He moved to the port of Calais where his mother was living. But within three days of his arrival, mass hysteria gripped Calais's bleak, mostly white district of Beau-Mais. Beldelme found himself accused, falsely, of raping and killing several little girls. In fact, Calais police found no evidence that any crime had been committed. But that did not stop angry residents from threatening to kill Beldelme for the rumored attacks. "It was enough that my face in heavily [scold] marked for them to assume I must satisfy my sexual needs normally," he said. "And it was enough that my father is Tunisian for them to start calling me a dirty Arab." Beldelme's misery came crystallized the night of many French Arabs, who say that they are second-class citizens in their own country.

The deputy mayor of Calais, Michel Seïdi, says that Beau-Mais was "ripe for an explosion." Politically, the district, which has few immigrants, is a Communist party stronghold. Its voters do not support the extreme-right National Front, which calls for the expulsion of most of the four million immigrants living in France. Beau-Mais, a tiny neighborhood of crumbling apartment blocks, is one of the poorest in a town that is itself in decline. More than 50 per cent of Beau-Mais's residents are unemployed. Calais officials attempting to explain the furor around Beldelme say that he was a convenient scapegoat for the frustrations and fears of anxious citizens. "This place is a ghetto," said Seïdi. "Most people are out of work with scant prospects. When the police come and then television crews, tension becomes hot and the place explodes."

Beldelme's neighbors began on Sept. 15. A priest of the Gothic-Romanesque primary school where he lived and told her

mother that she had seen a man outside the school taking pictures of children. Hearing that, another woman, whose child had been abducted several years earlier, concluded that the kidnapper had returned. Within hours, rumors began to fly. About 30 enraged parents went to the school demanding to see headmaster Armand Perrat. "They were saying there were children with threats left," said Perrat.

Still, the hysteria continued, fueled by sensational reports in the French national media. On Sept. 18, an angry mob gathered outside the apartment of Beldelme's mother, Marie-Christine Tounsi. "They wanted Christophe to come out so they could break him," she said. Tounsi summoned the police, who convinced Beldelme to accompany them to the school to see whether any children could identify him.



NORIKO KAWA / AP

"Our women said there were two children in the field behind the school with their stomachs all open." By the following morning, the rumor swarming Beau-Mais was that 15 little girls had been raped and distributed.

In that feverish atmosphere, a group of angry residents spotted Beldelme walking near the school. He was a stranger to the local people, a swarthy foreigner with the sickly, emaciated body of a drug addict. The group stopped Beldelme at gunpoint, accusing him of taking pornography pictures of children and of raping and killing them. Police took him into custody for questioning. But because there were no official reports of any missing children, and no corpses had been found, the police let him go. In fact, police discovered that the man with missing pictures outside the school was a city surveyor preparing a study for a new square.

Some of them could. The police soon released Beldelme, who returned to his mother's apartment. But a mob followed him there and tried to lock him in the door. Saying that he was afraid, Beldelme left Calais and went into hiding.

Beldelme maintains that he was the victim of racism in a country where, according to a recent national survey, nearly 55 per cent of the people think that there are "too many Arabs." But school headmaster Perrat says that the hysteria that gripped Calais is a symptom of working-class despair in an economically depressed town. "The people have hard lives," he said. "They don't have many opportunities to get their voices heard. With this affair, they had me—it was a way of showing they exist."

ANDREW BILSKI with JENNIFER GREGG in Calais



## COVER

# 'NEVER AGAIN'

## ITALY'S BESIEGED JEWS FIGHT BACK

They are seven generations of an earlier, mass brutal time. Across Italy in recent weeks, resident hoodlums have unleashed upon a violent campaign of anti-Jewish vandalism and terror. In the northern city of Fiume Ranica, swastikas appeared on Jewish homes. At a soccer game in Florence, ultra-right-wing spectators burned a flag of David Israel and chanted anti-Semitic slogans. And in Rome, several Jewish synagogues found huge posters proclaiming "Christians get out of Italy" stuck to the windows of their shops. But last week, at least 30 Italian Jews, Jews and gentiles alike, denounced their deterioration that such displays of hatred could no longer be tolerated.

On the 54th anniversary of Auschwitz, a notorious pogrom against the Jews in Nazi Germany, demonstrators took to the streets in the thousands, brandishing banners condemning the recent wave of violence. About 30,000 Italians paraded through central Rome shouting, "Hats off to the sewers and into the gas!" And on the steps of the main synagogue in the capital, Chief Rabbi Eliahu Toaff told a cheering crowd. "We have lived in Italy for two thousand years and we are citizens as much as you are."

But two nights later, a group of young Jews decided to take matters into their own hands. Armed with clubs and sticks, about 100 of them descended on the headquarters of a small, ultra-right-wing organization called the Western Political Movement. The angry crowd smashed windows and smashed the mosaic floor. "They should have expelled it," said Alberto Anzalone, one of the anti-fascist activists. "If the state doesn't defend us, we will defend ourselves. Jews are fed up with being bullied."

While most Italian Jews condemned the vigilantes, many said they could understand the frustration that would lead the young militants to such drastic measures. "Their anger must explode, they must express themselves," Tullio Zevi, leader of Rome's Jewish community, told *Merkel's*. "The cartooned, 'Violence only brings violence.'"

Those words could well prove prophetic. Members of the Western Political Movement refused to back down. "Anyone who wants to bring us into the werewolf has found something to claw us," said the organization's leader, Maurizio Boccardo, after the confrontation. "This vile

Neo-fascist in Trieste: vandalism

and staged action carried out by cowards simply provokes hatred. To Toaff, anyone lead of the scene, we said, as always, our heartfelt contempt and we hope to meet every man."

Those were serious words in many Roman Jews. And, as police bent up security in the historic Jewish quarter surrounding the city's central synagogue, a palpable sense of tension swept the community. "This time they've done our shop windows, next time they'll smash them," said one Jewish merchant. Added clothing store owner Melfino di Terna, who lost 44 relatives at the Holocaust. "I've had some nights, but I've had more encouragement from friends who say they will be defeated on us."

Things: The violence has by no means been directed only at Jews. Right-wing thugs known as "Mafiosi" have also attacked Italy's African and Asian immigrants, many of whom live in low-grade housing with little public assistance. And other Italian have enlisted the government for taking to court to racist attacks. "There are antisemitic laws and they should be enforced," said Jewish leader Zevi. Last week, there were a few signs of attempts being made to stem the racist tide. The government approved school visits to educate students a sense of their country's Jewish history. Montreal native Silvio Berlusconi, leader of the World Jewish Congress, met at the Vatican with Pope John Paul II, who strongly condemned the racist violence and agreed to sign an international "Declaration of Tolerance," drafted by Nobel Peace Prize winner Elie Wiesel. And as Italian marched through the streets, many wore yellow Stars of David printed with a message which showed that they were determined to prevent history from repeating itself. It read: "Never again."

SCOTT STEELER with JANEY STOKER in Rome

## ANATOMY OF A SHAKEN EMPIRE

INVESTORS ARE QUESTIONING EDPER'S ABILITY TO THRIVE IN A NEW ECONOMIC ORDER

**F**or many Canadians, the euphoria that accompanied the Toronto Blue Jays' World Series victory was one of the few bright spots in an otherwise grim season of economic and political disorientation. Indeed, the Jays managed to accomplish a feat that defied the country's most seasoned believers: the baseball team briefly dispensed the mounting anxiety over Canada's fading economic fortunes and a dispute-debate over the Constitution. But for the Blue Jays' owners, the reflected glory was especially sweet. For the past two years, the embattled Edper empire, which owns 90 per cent of the baseball club through John Labatt Ltd., has endured the glare of increasingly intense speculation about the firm's future performance. In the past month, as dismal financial results for the third quarter were reported by other key Edper-controlled companies such as Royal Trustco Ltd., long-simmering rumors created a sense of panic in the investment community. And as an eerie echo of the Rosenbergs' Olympia & York Developmental Ltd. (OYD), Scotiabank's financial spiral, the long-run fate of investors' collapsed Edper group stocks plummeted.

In part, the stock-market assault on the recession-ravaged corporate empire of brothers Peter and Edward Rosenbergs represents a backlash against the group's complex corporate structure and the controversial style of the senior Edper executives (page 46). But it also reflects a critical turning point in the collective consciousness of Canadians. As the once-crashed sons of North American capitalism like the Rosenbergs' Olympia & York Developmental Ltd. (OYD), Scotiabank, General Motors Corp. (GM Corp.) and the airlines have fallen from grace, shareholder and public uncertainty and doubt about the future have heightened. As



Toronto Blue Jays victory celebrates a rare moment of glory amid setbacks

well, the dislocation caused by the current severe recession has been exacerbated by a consistent restructuring of the Canadian economy under new global pressures. Now, because so many of the familiar points of reference have eroded, rumors about the next major financial collapse—often fueled by short-sellers who profit from market panic—quickly gain credibility and can easily become self-fulfilling.

In recent weeks, the downward slide of the Canadian dollar on international currency mar-

kets, and the interest-rate increase in interest rates and unemployment levels, have greatly contributed to an acute sense of anxiety. What started as a privacy dispute by currency speculators around the outcome of the constitutional referendum failed to end with the vote. In the weeks following Oct. 26, the dollar has fallen about two cents to trade below 80 cents (U.S.), reflecting widespread international pessimism about Canada's economy. In response, the Bank of Canada raised interest rates again last week from 6 1/8 per cent to 6 7/8 per cent

"People are threatened and fearful," says Lawrence Luce, chairman of Vancouver-based investment counselor Concorde, Clark & Lunn Ltd. "There's a real nervousness in the air—a great reluctance to believe the worst about everyone and everything."

For companies within the Edper universe, public doubt and nervousness could not have emerged at a worse time. In the past, Edper executives have relied heavily on trust, rather than on detailed financial disclosure, to convince investors that Edper was capable of sustaining a superior annual rate of growth for its myriad companies. Along with a strong

record of performance through the 1980s, the Edper partners insisted that by cultivating its image as action-oriented corporate members who dispensed luxurious trophies, they flaunted their "shared values," a corporate code of ethics, in annual reports and public statements, and emphasized the point that they ate modest lunches together, using that valuable time to discuss Edper-related business.

**Here:** With that approach, and the promise of annual 10-per-cent returns through their innovative program of "managed earnings," the partners tapped into the public's strong desire to believe in them and achieve success. A kind of herd mentality, known to cause herds and investors to leap over themselves to offer credit and capital, stampeded towards Edper. "It was just like with GM—you felt like a jerk if you didn't own their paper because everyone else did," recalls one major investment-fund manager. Another report compared the former locomotion with Edper with the current thrall over the acquisition spree by media magnate Canada Black, who last week acquired a 33.5-per-cent stake in Scotiabank Inc. of Toronto, from Thrust Corp., for \$259 million. "There's always a new gold awaiting," he says. "There's the future of the market."

It is also the catalyst of the market, however, to shudder when the United mid-1990s, whose cold-geopolitical recession first acquired Edper companies, the Thrustair brothers and their loved ones were the target of Ray Street. Although the brothers and their chief corporate architect, Jack Cockwell, deliberately dodged the glare of publicity, they succeeded only in whetting the public appetite for information. Furthermore, the sobriquet brothers, who came from a wealthy and sheltered background, were a delicious counterpoint to the scrappy, blunt South Africa to whom they had entrusted their subversive from the family's Seagram fortunes in Montreal.

In financial circles, Cockwell, who is a compact and intense man with penetrating blue eyes, was held in awe as much for his association financial vision as for the unswerving loyalty he commanded from the troops of young associates he recruited. While widely

## Business Notes

## ICE SPREADS ITS WINGS

Telecommunications giant IBC Inc. of Montreal has paid \$167 million for a 20-per-cent interest in British-based Mercury Communications Ltd., which supplies telephone services to hotels and resorts in Britain. Company spokesmen said that the investment will allow IBC to expand into new markets in Europe and Asia.

## A FAMILY'S FORTUNE

An information creditor said to creditors has weak assets that despite the financial woes of their failing international real estate company, Olympia & York Developmental Ltd. of Toronto, the Rosenbergs family still has personal wealth valued at \$500 million. Just a year ago, their fortune was estimated to be more than \$12 billion. The figures suggest that even while OYD faces the possibility of liquidation, the family is not directly responsible for many of the loans.

## OFL MARKERS SOUTH

Canadian Football League commissioner Larry Smith announced that up to four new teams will be allowed into the league next season. To date, Montreal, Portland, Ore., Sacramento, Calif. and San Antonio, Tex. are identified as prime candidates for expansion. Smith added that the Canadian identity of the game would remain, but the rule requiring that 20 of the 25-man roster be Canadian may be amended.

## A PRESIDENTIAL SHUFFLE

Woodward's Ltd. has appointed Allen Reay, a former executive with Hudson's Bay Co. and Simpsons Ltd. as its new president and chief operating officer. Reay replaces Russ Zepeda at the helm of the troubled Vancouver-based retailer. Cambridge Shopping Centres Ltd. of Toronto, which acquired control of the retail stores from the Woodward family in 1988, is now looking for a buyer for its investment.

## STUNTED GROWTH

The federal government forecast a fiscal 1990-1991 deficit of \$3.6 billion, compared to the \$2.5 billion predicted last February. Because the recession continues to affect consumer spending and business investment, tax revenues in the six-month period between April and September, 1990, decreased by 6.3 per cent, rather than increasing by the 6.4 per cent that Ottawa had forecast. For the six months, the federal deficit was \$18.9 billion, up \$906 million from the same period in 1991.

acknowledged as a genius for his transformation of the *Bushmans'* fortune into an empire, at the same time he was also feared for his capacious willfulness and his brutal head-down tactics. In fact, few people in this financial community are willing to speak the affectionate words the *Edger* group, because of its past record of heavy-handed threats of retaliation for public criticism.

The dual aspects of trust and toughness have contributed, at least indirectly, to the current woes of the *Edger* partners. Those who trusted them now feel disappointed, while those who feared them gleefully anticipate their demise. "People don't normally stand by the *Edger* group," noted one Montreal-based pension fund manager, who spoke on condition of anonymity. "There is a great threat for blood and revenge, but blame, however unfair or dangerous that could be to all of us."

The most obvious threat, if the sprawling empire falters, lies in its sheer size. *Edger*-controlled companies employ 150,000 Canadians in industries from housing to forestry, and its holdings represent about six per cent of the Toronto Stock Exchange. Included in *Edger*'s intricate corporate structure are a string of well-known names such as Noranda Inc., MacMillan Bloedel Ltd., London Life Insurance Co., Royal LePage Real Estate, Brimacombe Ltd., Truac Inc., Norcan Resources Ltd., and North Canadian Oil Ltd. Outside Canada, the connection between *Edger* and the Canadian economy is as strong that when the most recent wave of speculation hit *Edger*, the Canadian dollar fell almost one cent.

Said the *Edger* observer: "The action of being the big toad was shot down along with the *Reichmanns*. But the *Bushmans* are so pervasive in our economy that no matter how much we resist it, we have to help them land this country and graduate."

**Woe.** The ruin of *Edger*'s financial health has been the focus of discussion, especially since the collapse of the *Reichmann* family empire. But however grave the reality, even the grumpiest harshest critics concede that these are an extremely solid base of assets that could be sold. By late in 1993, *Edger* has already sold its flour-milling operation and its 49-per-cent stake in Maple Leaf Foods Inc. In early September, the company, which has frequently been reported for sale, announced its intention to shed another \$2 billion worth of holdings to focus more narrowly on its manufacturing and forestry divisions. Meanwhile, at Noranda, a diversified natural resources company, a partial interest in Borealis Gold Mines Inc. and

Canada West and Cable Link have recently been sold.

A greater concern, however, is the future of the *Edger* companies even if they do manage to avoid a major corporate overhaul. According to some economists, Canada is now in the throes of a fundamental economic transformation that will ultimately reduce the significance of the traditional natural resources and manufacturing sectors where *Edger* has concentrated its presence. Instead, more technology-intensive and knowledge-based companies will probably emerge. "It's a huge mistake to think the world is going to return to the way it was, and it's a loser's game to wait for that to happen," says economic consultant Martin Beck of World Bank

*Edger* companies are making steady progress towards the simplification of their maze-like corporate structure.

move too slowly in some areas, they also complain about frequent and abrupt changes in direction and strategy. According to Ryan, pension funds and other large institutional investors, whose portfolio performance is reviewed quarterly, are increasingly averse to "surprise write-offs and unpredictable accounting changes."

**Twisted.** One of those abrupt changes, according to critics, took place at the late 1980s, when Hies first moved into the corporate workout business, with a vague mandate to supply its know-how to troubled operating companies. The firm patterned soon became preoccupied with financially troubled National Insurance Systems Ltd. of Mississauga, Ont. Then, they won a Pyrrhic victory over industrial conglomerate Rafid Corp. of Toronto, which left them with problematically investments in drug sectors such as glass packaging and a staggering load of unattached lawsuits.

But perhaps the most damaging—and stunning—accident emerged in September. After months of publicly asserting that its exposure to the problems at OAS were limited to a joint investment in a real estate company, British Corp. Ltd., *Edger* eventually revealed a secret partnership agreement through which it held a \$138 million stake in the Rochester family's World Financial Center in New York City. For some frustrated investors and analysts, the revelation finally convinced them to stop following the company.

The *Edger* partners concede that Hies's failure to disclose exposure to OAS was a mistake, especially as they struggle to turn over a new leaf with their investment. They insist, however, that they were constrained by a confidentiality agreement with their secretive clients, the *Reichmanns*, from making any public statements related to the deal. "We've learned from our past mistakes, we have to make sure that the boundaries of client confidentiality don't overlap in our own integrity," notes Harding. He and the other *Edger* executives may gradually be able to regain the confidence of skeptical investors and nervous creditors. But what is clear is that, as was the case with the *Reichmanns*, the market will perpetuate sweeping changes if they are not seen to act from within.

DEBORAH MONTGOMERY



Edward and Peter Reichmann: a family fortune lies in the balance

## THE CONTEMPORARY CHOICE





Breckenridge's Yorkville Shopping Center in Toronto: a portfolio of prime commercial and retail properties

## WEAK LINKS IN A CHAIN

### TWO FORMER STARS STRUGGLE ON

Royal Trust, a venerable company that manages the financial affairs of thousands of elderly Canadians, has undergone three extremely difficult years. But the effects of that stressful period were never more apparent than when Royal's departing president, Michael Cornsman, appeared before an employees' annual meeting in Toronto three weeks ago with a gaz of foam treacherously atop his chest. He called them a "Royal leak"—apparently a reference to the title of a critical magazine story that had just been published. Cornsman went on to deliver a rambling talk liberally embellished with anecdotes. At one point, he called Pacific First Financial Corp., a U.S.-based savings and loan subsidiary that Royal Trust was trying to sell, "a piece of shit." His performance infuriated many employees. One of them, who wished

to remain anonymous, "It seems to me that in order to establish some sort of bond with an increasingly disbelieving staff he needs to talk to the lowest common denominator, rather than provide leadership." Although Cornsman eventually apologized for his behavior, his earlier action was seen as one in the group of corporate disasters that under Peter and Edward Breckenridge's bold company, Royal Trust, prospered last.

The Edgar group is growing increasingly vulnerable to the uncertain economic environment and across financial markets. Its most apparent financial problems lie with Royal Trust's Ltd. and Breckenridge Ltd., a Toronto real estate developer that is currently negotiating a restructuring plan with its lenders in an attempt to head off a bankruptcy. On Nov. 4, a flicker of fear about the group swept through

the stock market, and drove down the price of shares of many companies in the group, in part because of concerns about Royal Trust's and the just-announced deal to sell Pacific First. "Obviously, there is a panacea and a cynicism out there about the entire Edgar group," said one financial analyst who, like the others, refused not to be identified because of concerns for his future relationship with the company. "Any sort of fire at any part of the empire tends to be analyzed and blown up. A few days ago it was Royal Trust. When Breckenridge finally goes to court, people will shift their sight away from that."

Previously, the problems at Royal Trust, which had been escalating for three years, might actually be clearing up now. But analysts and investors, burned before, have lost faith in the company's assurances. Patrick McKenough, who writes *The Northwest Reporter*, a monthly stock market newsletter, exemplifies the worry. After Royal Trust set aside reserves for possible loan losses against its European operations in 1990, McKenough noted that the company "had written off everything it is likely to lose to write off in the foreseeable future." He recommended buying the stock, then trading at about \$9 a share. "It turned out that I was wrong about that," he said last week.

"Disappointment: Royal Trust shares are now trading for about \$9-96 stock, and McKenough's latest newsletter called the situation a 'Royal disappointment.' He now advises against new buying, even though he says that he believes that most of the change has been done. 'We never thought that Royal Trust

was going to come up with money problems as it did," said McKenough. "By the time you can put your finger on the reason for being worried, usually it is too late. And if there is something being going on that we don't know about, it probably will not be confined to just one part of the empire."

The first public sign of trouble at Royal Trust arose in 1990 at the company's European operations. It reported a loss of \$45 million that year, compared with a profit of \$165 million in 1989. At the same time, many of Royal Trust's main Canadian competitors, including the big banks and Canada Trust, were reporting record profits. Royal Trust blamed the losses on bad loans made to small commercial businesses in Britain. As a result of the European lending problems, which indicated a lack of management control, Cornsman was forced to resign to the trust company's board, which included several senior representatives from other Edgar holding companies. The resignation was not accepted.

The next major blow to Royal Trust was leveled at its newly acquired U.S. subsidiary in 1988. Cornsman announced plans for a big push into the United States. "I'll want to keep my job," Cornsman said at the time. "In the next two or three years we will have established ourselves in the U.S. as a force to be reckoned with." The next year, Royal Trust bought Pacific First, which was operating in the states of Washington and Oregon. Royal Trust paid \$254 million for the company and later added another \$575 million to enable it to acquire other smaller financial companies in the Pacific Northwest and to enlarge its capital base.

California, Jay Tejada, a Seattle-based business analyst who has followed Pacific First, says that Royal Trust's expensive strategy was good, but its execution was poor. Tejada, whose firm is the analyst and that Royal Trust paid too much, says that the decision to enter the Pacific Northwest region was sound. However, the real estate sector in the region is slow and banks and savings and loan companies are reporting record profits with return-on-equity levels as high as 20 per cent. But in 1990, just before the recession began, Pacific First had covered beyond its Washington and Oregon home base to launch an aggressive lending program in the midwestern California real estate market. That market soon began to decline and many of those loans turned sour. Tejada and Tejada, "Pacific First is not in trouble. It is profitable, it's just not as profitable as it was."

But Royal Trust, under pressure to strengthen its financial statements, decided to retreat from the market. On Oct. 37, it announced the terms of a completed transaction that resulted in a loss to Pacific First of \$79

million. In addition, it has taken back a pool of Pacific First loans, most of which are classified as nonperforming. And it has agreed to buy, under some circumstances, as much as \$140 million of preferred shares in Washington Mutual Savings Bank, the Seattle company that is buying Pacific First. Royal Trust chairman Herbert MacDougall says that the company expects to make significant recoveries on the loans it has taken back from Pacific First. "We think the net value is substantially to us to keep," he said. However, said MacDougall, most important to the company's well being is the underlying strength of its core trust busi-



Royal Trust's Cornsman under the gun

ness in Canada, which has come through the recession unscathed.

Royal Trust will sell the Pacific First loans as quickly as possible, he added, and set the timeline to strengthen the company's capital base. As a result of the sale and \$150 million in special reserves not used against possible future loans, Royal Trust reported a loss of \$127 million for the first nine months of the year. To further improve its finances, the company announced that it will cut its dividend for the second time in three years from 30 cents to five cents, and that it intends to raise \$300 million by selling more equity.

Financial analysts expect attempts to improve the balance sheet. But some say that they are concerned about the risk from the Pacific First loans that Royal Trust has

retained, and they are wary about the company's future. Dominion Bond Rating Service Ltd., of Toronto, which cut Royal Trust's credit rating to below investment-grade levels in mid-September, said that by keeping the nonperforming commercial loans, the firm has failed to reduce its comparatively high ratio of nonperforming loans to its assets equity. "Overall, the critical factor for Toronto remains the uncertain outlook for North American and British economies," said a Dominion report. "Economic recovery is still expected to be a long slow process for Toronto." Bank analyst Steve Kessler says that less confidence in Royal Trust's assets was completely sustained by the terms of the Pacific First sale. "When you are faced with the hard numbers," says Kessler, "it is very difficult to have a lot of confidence that there won't be a fourth, or fifth."

**Commitment:** Those financial difficulties have shaken company morale and contributed to a loss of respect for management. Cornsman was a demanding executive, but employees clearly respected his commitment. Like Peter and Edward's brother, he came to Canada from South Africa and worked as an accountant with Touche Ross in Montreal. He successfully ran the Edgar real estate holding company, Trust Corp. Ltd., for seven years, then went to work for Royal Trust in 1983.

Recently, Cornsman has been under both business and personal pressures. He went through a divorce from his wife, Tina, beginning about the same time as when Royal Trust's problems erupted. A request for an interview with Cornsman was declined, but MacDougall and Cornsman's successor, James Miller, did agree to speak to *Money*. MacDougall attributes Cornsman's behavior at the Toronto employees' meeting to those pressures. "It is unfortunate," MacDougall said, "and any part that I've known about has been fully apparent for me and he has been very busy about the world." But others say that Cornsman's actions were not totally out of character with the behavior previously in the past. "He is a creative person," said one employee, who again asked to remain anonymous. "His house is a lock-down house. I was often embarrassed when he told a joke." Until recently, Cornsman's wife told obvious public devotion from the behind-the-scenes banker's image was the name of his last job: *Banker's*.

In September, Cornsman announced that he would step down, and in October, Miller, a chartered accountant and senior partner with Deloitte & Touche, was named as his successor. He has been in the job since July. "He is already taking part in Royal Trust's annual budget and planning process. A company spokesman says that Cornsman will begin a sabbatical in January. He will eventually move

to Vancouver, act as Royal Trust's Pacific West representative and remain on the board.

Miller, in an interview with *Maclean's* last week at the company's stark black office tower in downtown Toronto, said that, in addition to improving morale, he hopes to improve the company's financial position and, to begin a high-quality credit rating. Gesturing at the luxurious furnishings on the executive floor—gloss ivory-yellow carpeting, a circular wood staircase and original art—he indicated that he disapproved of the opinion: "It seems almost an outrageous waste to other ways, as well. There's lot in every organization that I have seen," said Miller, adding that he has not come to any conclusion yet about what can be cut at Royal Trust. However, commenting on a sophisticated new computer system that the company had recently introduced, he said "There's nothing, every time you make a \$100,000 investment in technology you should have replaced one employee."

Layoffs would make morale-building more difficult, particularly because there is a perception that management is not addressing the firm's most problems. Miller says that the toughest issue that employees have faced him with since his appointment is how he will deal with Royal Trust's largest shareholder, the Edger group, which owns 44 per cent of the company. Said Miller: "I told them, I'm 61 years old, I have had a successful career. I am not going to compromise on what I believe is right." Employees and analysts alike express optimism that Miller will improve the situation.

**Problems:** But some employees also were concerned that some of the executives who created the problems still hold key positions at the company, including Cornelissen. "They claim it wasn't management that caused this," said one employee who strongly disagrees with that view. "What other company in this country would allow the man responsible for running the company to remain on the payroll and on the board? It should go away. Where is the voice of the other 30 per cent of the shareholders?"

Meanwhile, Brambles is experiencing somewhat similar problems related to declining real estate prices, although it is even more sensitive to price cuts. Edger executives in the holding company that oversees Brambles's operations for real estate management discipline Brambles, a Toronto-based real estate company, owns 37 million square feet of leaseable space in shopping centres, offices and industrial and residential condominiums, mostly in Canada and California. The Edger group owns 70

per cent of it through its real estate holding company Trusc Corp. Ltd., which bought into Brambles after the last recession in the early 1980s.

In the heady days of the real estate boom, Brambles' managers had good cause for optimism: the company had been assigned to the

work in buying sites in the Toronto area. It got swept up in the house explosion and was among those caught by the unexpected turning of the market downturn. "The company had already taken a write-down on its land purchases and was now having to sell off a large portion of its assets, at depressed prices, to get the cash to meet its mounting costs."

But real estate prices continued to fall, particularly on commercial properties. And in May, when Olympia & York Development Ltd. won federal title bankruptcy protection, the stock market singled out Brambles as the next most likely company to fail. By the time of OMY's announcement, Brambles's stock price had plunged to \$4.38 from a high of \$22.63 in 1989. Over the course of the next few months, as the possibility of a Brambles bankruptcy increased, the stock continued to fall until it closed at 45 cents last Friday. Meanwhile, the company continued to sell property: last month, for one, it sold off 28 luxury condominiums in Toronto. It set reserve prices at \$135,000—\$450,000 less than the price for which the units were offered in January, 1994.

**Breakthrough?** Brambles' executives are now negotiating with its lenders—the banks, other financial institutions and debenture holders—and they will meet them in Toronto on Nov. 19. "It is hard to know what will happen," said Louis Weinberg, a business lawyer representing the debenture holders, who have about \$500 million of the company's debt. "It just takes one breakthrough to finish the thing, but you never know when that will come." Real estate analysts say that it is in all the parties' interests to reach an agreement, rather than push the company into insolvency. Weinberg agreed, but added: "Everyone is acting in their own best interests and everyone has a different view of the value of the assets."

Even if it were to be pushed into bankruptcy, analysts say, the effect on other Edger companies—and even on the broader real estate market—likely to be manageable. As in the case of our lenders, most are reluctant to dump all of Brambles's real estate on the market at one time for fear of driving prices downward. And Edger has been making capital and shoring up its balance to protect against any extra strains. "We will seek relief, what, who added to manage accounts," Trusc has taken steps to provide for it, and it would be able to cope. But it does reflect poorly on the controls and management of that group in recent years." And long after the current recession passes into history, it may be these management failings that are remembered.

RENEE DALLAGHER



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# CRACKED FOUNDATIONS

TREMORS ROCK THE HOUSE THAT JACK BUILT

The close-knit circle of executives who built a corporate empire for Peter and Edna Edgar have heard the complaints before—but now they appear to be more puzzled by them than ever. For years, investment analysts and other critics of the Edgar group of more than 150 companies have lambasted it as an overly complex “pyramid,” “maze” or even “house of cards.” During the 1970s and 1980s, senior Edgar executives turned aside those charges by pointing to growth in share prices and healthy profits. But for the past two years, the foundations of the empire—the economic, financial services and real estate companies—have been battered by the recession. Thousands of Canadians who own shares in those firms have suffered from a drop in their stock prices. Senior Edgar executives, who are required to borrow heavily to buy company stock under the company's compensation system, are being repaid as well, as the company struggles to fall financial commitments. Now, many analysts say that Edgar may have to let go of his chunks of the empire to preserve many of its own companies. Said Brian Reynolds, president of the Montreal-based Canadian Bond Rating Service: “A company cannot keep paying out money that it is not earning.”

The empire's structure and the requirement that senior Edgar executives buy their own fortunes in their employer are the two central restraints that have guided the empire for more than two decades. Both were established by Jack Cockwell, the brilliant but glibly-lying Seattle attorney-turned accountant and strategist for the Edgars, who holds senior positions in seven of Edgar companies. During the 1970s and 1980s, the empire prospered. But since Canada plunged into a recession two years ago, some analysts claim that the empire's response structure has exacerbated Edgar's difficulties. Says Edgar executives now acknowledge that there are some problems with the old blueprint. Said Robert Harding, the chief operating officer of Inco International Resource Inc., one of the leading Edgar companies: “We are all constrained to simplifying the structure and it has become



Leblond bottling plant in Toronto runs on a cash squeeze and forces asset sales

one of the consequences of our long-term business plan.”

Cockwell despised the pyramid to give Edgar maximum leverage by allowing the group to gain control of large companies for a minimal investment of its own funds through so-called top-down or cascade financing. According to a simplified scenario often cited by analysts and Edgar representatives, Edgar can use the method to gain control of \$1.2 billion in assets with just a \$50 million initial investment

of its own money. The process starts with Inco, the water financing company in the Edgar group, issuing \$100 million in new stock. Edgar would then buy half the shares through a related company, and Inco would sell the other half to the public. Inco would then take the \$50 million it received from the stock sale and invest it in a \$200-million share issue by another Edgar company, like Brown Ltd. Again, the group would sell half the issue, \$100 million, to the public. By repeating the process three more times, Edgar would end up with 50 per cent control of \$1.2 billion in assets.

**Investments** During the boom years of the 1980s, Cockwell's method succeeded effortlessly. The Edgar group raised close to \$30 billion in equity from the public and from its own earnings and used it to help gain control of some of the largest corporations in Canada. All the while, Edgar's own investment in its operating companies never exceeds 50 per cent—a Cockwell rule. In fact, at most times, it is much less than that. According to the 1991 annual report of Edgar Enterprises Ltd., a holding company near

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Inco International	29.75	16.62	14.87	9.37
Royal Bank	17.67	9.50	8.00	2.98
Inco	24.25	13.62	10.25	2.20
Inco Financial	20.62	12.37	10.75	3.70
Harada	24.25	16.75	18.62	17.50

the top of the structure, the company's so-called effective equity interest in John Labatt Ltd.—after taking it through several holding companies—is only 23 per cent. For mining and forestry giant Noranda Inc., that interest is just 14 per cent.

Under the equally elaborate executive compensation system designed by Cockwell, senior Edger managers were among the principal beneficiaries of the plan.

Edger pays its top executives low salaries by Bay Street standards—but over \$100,000 a year is not easy cash. But it also requires those executives to take out loans to buy stock in their companies. In the case of the 15 executives in Hesse who direct activity at the Edger group's overall strategy, the average value of loans outstanding to them was just over \$1 million at the end of 1991. Edger sets the interest rates on the loans to match the dividend rate on the shares. The goal, according to Harding, is "to align the executives' interests with those of the shareholders." And during the 1980s, the value of the stock supporting the loans climbed steadily, making it desirable for such loans to be repaid.

In addition to enhancing Edger's ability to expand, Cockwell designed the structure to achieve what he calls tax efficiency—a other words, to take maximum advantage of corporate tax laws. During the 1980s, Edger companies, on average, paid out not much less of their income in tax than other large Canadian corporations.

**Legacy:** But even before Canada plunged into a severe recession, Edger's elaborate intercompany arrangement and Cockwell's constant shuffling of its holdings and earnings made many pension fund managers and other institutional investors uneasy. While small investors were clearly dazed by the strong performance of the Hesse holding companies during the 1980s, institutions have long been wary of investing in anything but the public operating companies at the bottom of the structure, from John Labatt to Noranda. Noranda, a partner in Canada's largest pension fund management firm, Montreal-based Janssen & Co., said "All those companies are paper companies. No one is really sure of what is there."

Riccioppo and other analysts say that other features of Edger's structure also concern them. For one thing, its earnings flow through the overall structure, they are combined and reported in several companies' financial statements. Moreover, in addition to the 30 public companies in the Edger empire, money also comes through some of the hundreds of private companies in the group, which are legally entitled to keep their finances confidential.

Edger executives, however, say that they have tried to include much more detail in their

financial statements in recent years. As well, they say that they are asserting more regularly with analysts, clients and reporters to explain their strategies and way of doing business. Added Harding: "We believe that we have made some progress with each of these constituencies and are prepared to do a lot more work in this area."

The economic slowdown that began in 1990

## PIECING TOGETHER THE PUZZLE



has clearly put Edger under a great deal of pressure. The real estate, resource and financial service sectors all slumped almost simultaneously, driving down the profits and the share prices of many of the companies at the bottom of the pyramid. Common shares in developer Brive Corp., for one, closed last week at \$2.28, down from \$34.25 at the end of 1989. Noranda's common shares have declined to \$17.50 from \$24.25 over the same period. Royal Trust's common shares closed at \$2.98, compared to \$17.87 three years ago.

The design of the Edger structure has intensified the pressure caused by the recession—say at the top levels as well as the bottom. Just as

financing is designed to flow down to the Edger empire, earnings, as the firms at the bottom, should flow back up to the top. But under equity, which multiplies as it moves down the ladder, dividend income shrinks as it moves up, because Edger pays dividends to outside shareholders as well as to its own holding companies.

For small companies, those steady and substantial dividends have been one of the main attractions of stock in the Edger companies. Under the principles laid down by Cockwell, those dividends are a necessary cost of doing business, like interest on loans. As a result, Edger managers have been extremely reluctant to reduce dividends, even when the group's earnings began to suffer during the recession. Those managers also have a direct personal interest in maintaining those dividends and share prices. Almost all of them borrowed to buy the stock when prices were much higher. The result they now would be unable to pay off the loans by selling their shares.

**Risks:** Overall, Edger's public companies have paid out the equivalent of 76 per cent of their income in dividends over the past five years. That ratio is high compared to the 50-per-cent average for other large companies listed on the Toronto Stock Exchange over the same period. But to help offset its commitments, Edger has also included its efforts to raise cash from other sources. According to Harding, Edger has raised \$10 billion in new capital over the past two years. Approximately \$2 billion of that came from selling new equity issues. But \$5 billion came from new debt issues, and \$3 billion came from asset sales. Those sales are continuing. In recent weeks, beleaguered Royal Trust has announced plans to sell off the Seattle-based Pacific First Bank and Trans has announced plans to sell off a stake in a Maryland shopping mall.

Some of Edger's hardest-hit companies have also taken the bullet and reduced or eliminated their dividends, including Bronco Ltd. and Royal Trust. But Canadian-based Bancor's Noranda's Noranda, for one, said that Edger management has wanted to long to take action. "They have met a lot of equity financing over the past two years to pay the dividends," he said. "That can only go on for so long."

Last week, Harding said that the group still prefers to let its dividends "at levels which are sustainable throughout a normal economic cycle." Indeed, the whole structure and management philosophy at the Edger empire are designed to function during a normal cycle. But as the general economic slow-down continues, it is increasingly difficult to expect the company to a cycle that looks less and less like a normal one.

JOHN DALEY

# THE SEAL OF EXCELLENCE

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# Seeking the right route

Canada's two major airlines are fighting for survival

**I**t was a no-win proposition. With Canadian Airlines losing more than \$500,000 a day—and with nearly 18,000 jobs at risk—the federal government was under intense public pressure to help bail out the troubled carrier. The Calgary-based airline asked Ottawa for a \$900-million loan guarantee and \$100 million in bridge financing to support an employee-led rescue plan based on a partnership deal with American Airlines Inc. of Fort Worth, Tex. The employees also sought \$100 million in guarantees from the four Western provinces to trigger American's \$250-million purchase. Ottawa's consideration of financial backing, however, angered Canada's irascible rival, Air Canada of Montreal, and, at week's end, the federal cabinet refused to contemplate its next move.

The negotiating in Ottawa began as Air Canada's chairman, Claude Taylor, demanded equal treatment for his company, which is losing more than \$1 million a day. The government's tally for helping both airlines could easily reach well over \$500 million, industry analysts said. Not only that, it would expose the government

to an increase in the deficit, which is already expected to rise to \$22.5 billion, compared to the current budget forecast of \$27.5 billion. Still, the consequences of not helping Canadian are also politically unpalatable. Without a cash infusion, the airline and its parent, PWA Corp., could soon be bankrupt, creating a crucial unemployment in Western Canada, a crucial loss of the federal budget support. By week's end, PWA's plight had Ottawa's attention. Transport Minister Jean Corbin and Finance Minister Don Mazankowski flew from the capital to Edmonton, where they met with PWA chairman Rhyll Elyan and representatives of the employee group. Afterwards, Mazankowski said that he would make his decision within a few days. He added: "There are some hardies, some seats we want clarification on."

Whatever path Ottawa chooses, Canada's airline industry will continue to face daunting challenges—as does the rest of the industry worldwide. According to Greater West, director general of the Montreal-based International Air Transport Association, the group's 212 member airlines will lose an estimated \$3 billion this year. That follows income of nearly \$5 billion in 1989 and \$3.3 billion in 1988. Canada's major airlines combined are losing more than \$1.5 billion a day, and some are

lyrically questioning whether the federal government would be able to find a dramatic solution when the problems stretch far beyond Canada's borders.

Air Canada clearly is looking to the future. Last week, the former Crown corporation sent its Fort Worth-based partners, Air Partners Inc., but successfully by former Montreal-based Continental Airlines Holdings Inc. the 5th largest carrier in the United States in terms of passenger miles. Discussions for Continental accepted the bid, saying the \$550-million deal would enable it to emerge from bankruptcy protection in early 1992. In exchange for a \$160-million cash infusion and \$250 million borrowed against assets, Air Canada and Air Partners will each own 27.5 per cent of Continental and will hold warrants allowing them to increase their ownership.

Air Canada spokesman Denis Cochrane said that the Continental deal is part of his company's long-term strategy of improving competitiveness in the global airline industry by forming strategic alliances with carriers around the world. In this case, Air Canada will be able to draw on Continental's marketing savvy, as well as sell tickets to a greater number of destinations. Still, some analysts said that, although the strategy of forming alliances may be sound, Air Canada's deal with Continental may not necessarily help either airline. Said Kevin Murphy, an airline analyst with New York City-based brokerage Morgan Stanley & Co.: "This beleaguered airline doesn't make any sense."

According to some industry insiders and analysts, the only way for Canada to maintain a toehold in the international aviation industry is for Air Canada and PWA to merge. A merger, which the two airlines first discussed almost a year ago, has remained elusive as both companies have at times broken off talks. Last week, both airlines withdrew their merger applications before the National Transportation Agency in Ottawa. Nevertheless, Cochrane said that Air Canada still wants to discuss a merger with Canadian. "We are still interested in a viable, permanent solution," he added. PWA spokesman Leslie Thomas said the company has had no new offers from Air Canada.

In the meantime, Canadian Airlines has continued to pursue an alliance with American Airlines, which declined last summer. Under the terms of that potential deal, the largest U.S. airline would invest \$250 million in Canadian for a 25-per-cent stake. In return, PWA would merge its administrative, reservation and scheduling functions with American's Sabre system, while abandoning the Global reservation system that it currently shares with Air Canada. In the end, American insisted the deal could only go ahead if Canadian strengthened its balance sheet.

In August, Sidney Patinkin, a retired vice-president of Canadian, met today the airline deal just that. He formed the Council of Canadian Airline Employees and said he wanted to raise \$500 million from employees and outside investors. With the backing of five of PWA's six unions, and loan guarantees from provincial governments in British Columbia and Alberta, the council came close to its goal. Last week, the Rail Incident among the unions, the Canadian Auto Workers (CAW), re-

versed its policy of not participating in employee-led rescue plans, and announced that it will endorse contractors to help keep the talks with American going.

Under a deal reached with Canadian, CAW's 3,400 members, including pilots and maintenance workers, will give up five per cent of their wages over three years—a total of about \$15 million—to buy stock options in PWA. In exchange, PWA agreed to keep about 900 reservation jobs in Canada under any partnership deal it reaches with American. Union president Russ (Budd) Hargrove told a news conference that his organization simply saw no alternative. "This is a last-ditch attempt—to grasping at straws—to try to find a way to assist in saving the jobs of our membership," he said.

PWA's deal with American also received a boost from another unexpected party. On Nov. 5, Howard Wetton, head of the federal government's independent bureau of competition policy, sought a legal order that would allow PWA to relocate staff from the Greater Toronto government services. In 1986, an anti-trust competition tribunal passed a consent order that allowed both major airlines to use Gemini Group Automated Distribution Systems Inc., as long as smaller carriers were also allowed access. If Wetton's request is approved, PWA will be free to switch to American's Sabre system, another airline critical rival of Gemini, by American Timothy Smith, a spokesman for

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American at Post World, said that it was his company's policy not to discuss the details of the negotiation with Canadian. But he added: "We have stated since the beginning that the effectiveness of any deal for us is the services we would provide."

PM's move to withdraw from Gemini provoked an impassioned backlash. Paul Melvin, president of the Toronto-based Gemini Group, launched lawsuits totaling more than \$1 billion against PM and American Airlines—saying that his company cannot survive without the \$30 million in annual revenues from Canadian. If Gemini collapses, he said, 700 high-tech jobs will disappear in Canada, and America's Silver

Star's New York University, said that the federal government should proceed with its bailout for 1986 because it is highly unlikely it will ever have to pay out the full amount. The reason: Canadian had made a deal with the stronger U.S. airline "America will be one of the surviving carriers in the next century," he added. "If Air Canada and Continental have enough time, talent and money, they could turn their situation around—but they don't have enough of those."

For his part, The Queen's commerce professor at the University of British Columbia in Vancouver, sees the future quite differently. He said that by the turn of the century there will be five or six global giants dominating the



Eytan and Taylor in 1990: abandoning a merger, Canadian turned to Ottawa

network will control the entire Canadian market for reservation services. Indeed, Macdonalds cited the Gemini dispute as one of the hurdles that must be overcome before the government can reach a decision on helping PM. But time is becoming a crucial factor in PM's chances for survival. Ryan said that his airline has enough money to survive until next spring. But some analysts are skeptical, claiming that the airline may only have a few weeks left. The actual truth may be a moot point, however. Although Air Canada is losing more money each day than PM, it has a longer credit line. Last week, Ryan landed out at Air Canada, according to his interpreter of having all along that PM would go bankrupt. Said Ryan: "They intend to accomplish this by using their bigger bank account to sustain us." Country described the accusation, saying that a speedy resolution was best for all concerned. He added: "Right now, you're a merger would have looked better. But our financial position has deteriorated since then."

Despite the aggressive corporate posturing, Fred Baker, an economics professor at Toron-

to's York University, said that the federal government should proceed with its bailout for 1986 because it is highly unlikely it will ever have to pay out the full amount. The reason: Canadian had made a deal with the stronger U.S. airline "America will be one of the surviving carriers in the next century," he added. "If Air Canada and Continental have enough time, talent and money, they could turn their situation around—but they don't have enough of those."

For his part, The Queen's commerce professor at the University of British Columbia in Vancouver, sees the future quite differently. He said that by the turn of the century there will be five or six global giants dominating the world's airline industry. By then, Canadian will not be a regional airline anymore to American—but the competition will force Air Canada to also become a subsidiary of a much larger U.S. airline. As a result, once said, the Canadian airline industry will become marginalised. To avoid that situation, Gemini must have a strong domestic airline that provides an alternative gateway to the North American market. A merger of Canada's two largest airlines would go a long way towards solving that problem, said Owen Green, but, he added, any assistance the federal government provides to PM is just a short-term solution. Said Green: "If I was a Canadian Airlines employee, I would be doing the same thing, and trying to save my job. But our national policy-makers must look at the long-term results." Governments, however, especially those facing an imminent election, tend to look at the short term—and Macdonalds's decision will be largely based on how far it sustains the political impact of governing like versus a possible increase in a worsening deficit.

BARBARA WICKENS

## BUSINESS WATCH



# The lasting pain of a sharp recession

BY PETER C. NEWMAN

So what, exactly, is going on here? As the daily toll of new bankruptcies, lost jobs and a flood of rising spending takes hold, it's becoming ever more obvious that this isn't just another recession. Recessions, after all, are controlled, cyclical phenomena usually triggered by the State of Canada tightening the money supply. Once the supply is loosened and inventories are exhausted, industrial production resumes and the economy returns to normal.

We've had eight recessions since the Second World War, lasting an average of a year, and in between we have been the beneficiaries of long periods of relative prosperity (The last recession was brief—June, 1981, to December, 1982)—but never, with interest rates soaring to 22 per cent and unemployment peaking at 15 per cent, ever higher than this one. But at the end of that cycle the economy slipped into a recovery phase that lasted for most of eight years.

This recession, which officially started in April, 1990, has dragged on for 30 months, and many economists who should know better are calling it a depression. It's not. A depression is more than just a long recession. It's not merely an extended period of widespread unemployment and a surge of business failures. It is a state of ongoing capital investment, qualitatively and quantitatively different from a recession. A full-scale depression triggers a self-feeding liquidity crisis, with such downturn accelerating the plummeting economic spiral. We sit out anywhere near that stage and there are, so to speak, no winners. Just anything at all. That's why the category is about to be retired soon. As (Apex from the Dirty Thirties, Canada has suffered only one other depression, from 1932 to 1939.)

And yet something very different is going on. And what's different is that this is much less of a business cycle than a serious contraction of the Canadian economy. That would have happened to us anyway; it's happening in every one of the world's industrial countries. The

*The 1990s—if we are lucky—will be the decade of snail-paced growth, with GDP staggering from plus to minus two per cent*

shift away from manufacturing as a deep and permanent as the turning away from postwar assembly-line industrial economies that took hold a century ago. That sea change, plus the effects of globalization and the rise of information technology is revolutionizing the way we will live and work in the next century. The 1990s—if we're lucky—will be a decade of snail-paced growth, with our gross domestic product staggering from plus to minus two per cent.

While every country will have to suffer the pains of such a transformation, those economies that have less well managed won't need to go through the double agony of having to reconfigure themselves while being bankrupt. Canada's national debt has ballooned at such an accelerating rate that, on a per capita basis, each Canadian now owes about \$15,000. The federal deficit for this fiscal year was supposed to be \$27.5 billion, it's more likely to end up at just under \$38 billion, the second-worst figure on record.

Debt of this magnitude doesn't just go away. It either has to be repaid or written off. Repaying it seems impossible, unless federal revenues were suddenly to soar through some unexpected economic boom. Writing it off—

like Poland or Argentina have done—would turn us into a third-world nation, not by the International Monetary Fund, however one way or the other. (The only other way out may be to slowly inflate the economy—and pray we don't get into the kind of hyperinflation that wipes out savings—so that the debt can be repaid over time with dollars worth a fraction of the original borrowed.)

The best description of what's gone wrong was in a recent column by David Blaise of the weekly *European*. "As the world economy has sunk deeper in the mire," he wrote, "its leaders have pursued three variants of Marxism—those associated with Herpo, Gorbachev and Chao. In the first, Harpo, party, they were struck dumb. Ministers and international organizations did not talk about the recession, like people walking around a dead body without mentioning its presence. When that failed they stretched to distance, a phrase reminiscent of Gorbachev's notion (who taught it to us) about his 'Who are you going to believe? Me, or your own eyes?' Denial having failed, they have now moved on to the third, Chao, phase. This involves greeting all criticism with a resolute, 'Not any, less.' As every piece of bad news comes, the failure now is to ignore it. The government is unquestionably to be blamed because there is a worldwide problem."

The prospects for recovery will be gravely hindered by the staggering losses being suffered by Canada's corporate elite. Since, since the pride of industrial Canada, has lost markets for most innovative quarters. Canadian Pacific, since the pride of Canada's corporate success, is bleeding so much red ink that losses for this year's first nine months were a cool quarter of a billion dollars. Profit at the Royal Bank, pride of Canada's financial institutions, will plummet 50 per cent this year, with a corresponding loss portfolio of \$3.7 billion on its books. Royal Trust, which once had higher credit ratings than New York's J.P. Morgan bank, has become a loser among Canada's financial institutions, its mere source of unemployment becoming a great speculation about who'll be next enough to buy it, or put it out of its misery.

Canada's most historic department store, the Hudson's Bay Co., has been forced to shut away from the protective umbrella of the cash-rich Thomson organization, who's rather obviously been weakened by the steadily held status of Canada's critically weak. The Vancouver-based Woodward's department store chain is on the ropes, as is Montreal-based jeweller Henry Blois & Sons. Hydro Quebec, which has more assets than most of the corporations in the United Nations, has just announced its rapid spending plan of \$7.5 billion. A survey of the world's 50 largest forest companies ranks Canada's pulp-and-paper producers as the industry's worst financial performers.

There's a terrible message in all this blood being spilled. It's obvious corporate elites are losing their way. The big banks that once defined corporate Canada may no longer be with us.

# A disputed choice

A Supreme Court appointment sparks debate

In the mid-1980s, a Calgary lawyer named John (Jack) Major was on an Air Canada evening flight from London, England, to Calgary. Twenty minutes into the flight, the pilot announced that he was returning to London to pick up passengers who were stranded after their Toronto-bound Air Canada jet developed engine trouble. When the flight resumed, the pilot said that he was flying to Toronto and that the Calgary passengers would be booked on a connecting flight west. "I volunteered me," Major, 61, recalled last week. "I wrote a note to the pilot saying that I would campaign among my fellow passengers for a class action against the airline." Ten minutes later the pilot announced that the flight would go directly to Calgary after all. According to fellow Calgary lawyer and Alberta Law Society president John Matheson, the incident re-ignited a quiet, independent re-evaluation that Prime Minister Brian Mulroney may have had a mind to let when he named Major to the Supreme Court of Canada.

Major, a lawyer for 34 years, has with only 18 months as a lower court judge, will fill a vacancy on the court created in June when Mr. Justice William St-Georges, 58, an other Alberta jurist, resigned because of ill health. While the Canadian Bar Association and members of the Alberta legal profession praised the appointment, some academics and officials of women's organizations argued that the Prime Minister should have named a woman, because only two of the nine current Supreme Court justices are women. But according to a number of legal experts, several female judges, retired or in sit on the Supreme Court, declined that one position mentioned candidate, Chief Justice Catherine Power of the Alberta Court of Appeal, declined the offer because she had held her current position for less than a year.

Some legal observers also criticized the appointment on the grounds that Major has long been associated with the Alberta Progressive Conservative Party, and because he has had relatively little experience on the bench. He was appointed to the Alberta Court of

Appeal in July, 1991, after spending his entire legal career in private practice. His wife, Elise-Mae, grew up in New-Canaan, Que., where she knew Brian Mulroney.

Born in Matthews, Ont., 320 km northwest of Ottawa, Major was educated at McMaster's Lantz College and at the University of Toronto law school. At the time of his appointment to



Major: acerbic wit and a quick and independent mind

the Supreme Court he was a senior partner at the respected Calgary law firm of Bennett Jones Hendershott, whose partners include former Alberta premier Peter Lougheed. Major also served on the Ontario Conservative government's senior counsel at the inquiry that examined the 1987 collapse of Edmonton-based Principal Group Ltd., which cost \$1.6 billion in investments an estimated \$150 million.

An avid skier, golfer and outdoorsman, he is married with four grown children. Major is well known within the Calgary legal profession for

his wit. He has, said a colleague, "an expansive, acerbic sense of humor." Many fellow lawyers spoke fondly of Major's extensive legal experience and his courtroom abilities. But Major said "He has broad experience in criminal, domestic and labor law, and has fought very sophisticated legal battles." Added Canadian Bar Association president Paula Gauthier, "Jack Major brings common sense, a brilliant mind and solid litigation experience to the Supreme Court."

Still, critics contended that Mulroney should have continued to search for a female candidate until one was found. Sen. Rowland Carmichael, a member of the steering committee of the Ottawa-based National Association of Women and the Law: "We are disappointed that a woman from a visible minority community or aboriginal community has not been appointed."

Court watchers also were wrangling last week to discover whether Major would influence the bench's direction. Legal experts contend that under the influence of jurists such as former justice Bertha Wilson and former chief justice Brian Dickson, who both resigned in 1990, the court considerably broadened its jurisdiction rather than governments in cases heard under the Charter of Rights and Freedoms. As the court enters its second decade of interpreting the law according to the 1982 charter, some observers say that it has begun to move in that opposite direction. And they added that Major's appointment may reinforce that trend. Said Dale Gibson, a University of Alberta law professor: "It seems to me that the court has taken another step, if not to the right, at least to the left. But I suspect to the right." For his part, Major said that he believes that law should be made by legislators, not the courts. Other critics said that weak appointments could damage the court. Said Sen. Russell Milliken, the Liberal party justice critic: "Usually the best choice that has held this country together over the last five years or so has been the Supreme Court of Canada, in my opinion. All we need is a couple of bad appointments and then it's a matter of time before it's crumbling."

But according to one Ottawa lawyer who has frequently appeared before the Supreme Court, the importance of ideology can be exaggerated. "People tend to think that night and left for law is a very important thing," he said. "The only thing I would say is that he comes from a long background in private practice which adds an element of practicality to the court." Still, as with all appointments to the highest court, the law's qualities will only emerge from the legal decisions that he helps to formulate in the years ahead.

By ARCY JENKINS and JOHN MORSE in Calgary and LUCY FORTER in Ottawa

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# Love and the law

Scandal ends the career of a respected jurist

It was a deeply fascinating end to a long and distinguished legal career. The chief judge of New York state's Court of Appeals, one of the most prestigious courts in the United States, resigned last week, the central figure in a scandal involving sex, blackmail and kidnapping threats. At the conclusion of a seven-week investigation, FBI agents filed a complaint against Judge Sol Wachtler, 62, accusing him of lewding, leering and leering letters to a former lover, demanding \$10,000 a extortion money from her and threatening the woman's 14-year-old daughter. As the carrier of the charismatic and well-connected jurist's criminal record, another judge, another Wachtler, continued to his home in Manhattan, Long Island. Some threats and colleagues said that Wachtler's erratic behavior might have been linked to a serious illness, but rumors swirled around the apparent breakdown of one of America's most respected jurists.



Wachtler (right) with Casano; Silverman (below) son, blackmailed

The allegations against Wachtler first arose through CBS legal and editorial circles. Related to the case in 1972 and expanded to a 14-year term as chief judge in 1986, Wachtler, a Republican party supporter, was widely regarded as an ardent ideologue and as a judge who was adept at handling controversies in his court. Before his arrest, he was frequently mentioned as a possible candidate for governor of New York state to challenge incumbent Democrat Mario Cuomo. But last week's revelations painted a portrait of a man driven to the edge of insanity by sexual predation, blackmail, and kidnapping threats. A case sent to Justice contained lewd references and a crude sexual innuendo. Wachtler, who has been married three times, is separated from his present husband, wealthy manufacturing executive Jeffrey Silverman. She is now suing David Sassoon, a real-estate New Jersey lawyer and husband for President George Bush. Sassoon is separated from his wife.

Throughout the summer and into early fall, the case against Wachtler against Silverman and her daughter unfolded, culminating in a series of extortion threats. In the federal court



PATRICIA CRISPINMAN with correspondence reports

plaint filed against Wachtler, investigators stated that the judge was Silverman's lover, claiming that he had compromising pictures of her and Sassoon. On Sept. 15, Silverman received a letter instructing her to place a classified advertisement in The New York Times, after which the woman would respond with a demand for money as leverage for the pictures. Armed with the letter, Silverman contacted a personal friend—FBI director William Sullivan.

The FBI exposed rapidly and in force, seizing about 80 agents to the investigation. After tracing telephone calls for several weeks and carrying out undercover surveillance, the federal agents closed in on Saturday, Nov. 7. According to documents filed in court, Wachtler had dropped out of the public eye for dropping off the photograph in exchange for \$20,000. Federal agents said that as Wachtler drove into Manhattan from his Manhattan home, he stopped several times, apparently losing his nerve, and as one pulled up, some documents and drove them into a roadside parking lot. He delivered a package to a taxi driver, which court documents said contained a threat to kidnap Silverman's daughter. Shortly after that, FBI agents arrested Wachtler as he headed back out of the city on the Long Island Expressway.

For the most long day, Wachtler's home as the chief judge of the New York State Court of Appeals appeared to hang in the balance. The state's top panel was expected to be the last day of the year. Under perjury laws, it was expected to be the last day of the year. Court documents filed in the case said that Wachtler had been an outpatient at the hospital for the past two years and there were unrecorded reports that he was being treated for cancer.

Two days later, Wachtler resigned as chief judge. A statement released by his lawyer, Charles Stillman, said that Wachtler "as much as possible seeks to prevent his name from becoming the subject of news stories and the extraordinary judges and staff who serve it." With a career in public life that spanned three decades over a crime, Wachtler has become a symbol of the principle that all people are to be treated equally by the law.

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# The right to die

*A woman fights for help in ending her life*

The last time that Sue Rodriguez drove her car, it was to travel 20 km to a meeting with a counsellor from the Right to Die Society of Canada. That was in August, 1992, and the illness that was killing her made driving difficult. One year earlier, doctors had diagnosed Rodriguez as having amyotrophic lateral sclerosis (ALS), a progressive neurological disease for which there is no known treatment or cure. (The

life. Despite a maximum penalty of 14 years in prison for such an action, Rodriguez says that she has no reservations. "I would rather be guilty of breaking a bad law and helping a friend," she says, "than of upholding a bad law and betraying a friend."

When she first started to lose control of her hands in April 1991, Rodriguez was working as a secretary in a Victoria and estate office. Initially, Rodriguez says that she thought that



Rodriguez with Rolston: a signed contract saying that he will help her

disease is also known as Lou Gehrig's disease, after the baseball player who died of ALS in 1941.) As she battles the debilitating effects of ALS, Rodriguez, 42, says that she is also fighting for the right to end her own life. "I don't have any fear of dying if I am successful," Rodriguez says. "Maclean's staff would 'I'm going to do anything I need to have control over myself'."

Aided by John Rolston, executive director of the Vancouver-based Right to Die Society, and a lawyer, Christopher Connelley, Rodriguez initially is asking the British Columbia government for assurance that a physician who helped Rodriguez die would not be prosecuted. If that request, which was sent to the ministry of the attorney general last week, is rejected, Connelley says that she will ask the B.C. Supreme Court to consider the validity of the section of the Criminal Code that makes physician-assisted suicide illegal. If all else fails, Rolston says that he has signed a contract saying that he will help Rodriguez to end her

life problems might be caused by campy bacterial syndrome, a type of viral injury that may be caused by the repetitive stress involved in typing. Four months later, a Vancouver neurologist positively diagnosed her as having ALS, a disease that affects about 1,200 Canadians. According to James Brown, the national executive director of the Toronto-based ALS Society of Canada, the average length of time from diagnosis to death is 20 years. The devastating disease, she adds, "will start in one part of the body and you literally become burned out of your own body as each function slips."

Within 10 months of the first symptoms, Rodriguez, who remained until the mother of an eight-year-old son, had lost almost all strength in both her hands and nearly all the strength in her legs. More recently, she began to experience problems swallowing. She also has some difficulty in breathing, she says that she gradually came to the decision to end her own life. "I didn't want to think too much about the end."

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the wife. Ultimately, however, she became aware of the different ways people with AIDS may die, including asymptomatic. Said Rodriguez, "I just didn't want to be in a situation where I wouldn't be able to receive help."

Finding the kind of help that Rodriguez needs has not been easy. The doctors she approached "turned down [her request] to receive help in connecting suicide." Rodriguez says that she read the 1991 book on suicide, *Final Exit*, by British-born Derek Humphry, the founder of the Euthanasia, Ore.-based National Suicide Society, which outlines ways in which terminally ill people can end their own lives. But Rodriguez says that she concluded that, by the time she was ready to end her life, she would be physically incapable of doing it herself. Then she decided to approach Nelson's Rights to Die Society. Nelson, a former journalist who founded the society a year ago, says that by the time he met Rodriguez at his office, "his story was that, 'I've turned to doctors, I've turned to health-care workers, I've approached a minister. And all I have ever met with is evasion or indifference or hypocrisy.'"

If the case goes to the B.C. Supreme Court, Connors says that he plans to attack the existing law on assisted suicide by using that version of the 1982 Canadian Charter of Rights and Freedoms. Section 7 includes the right to life. Connors contends that the right to life includes the right to a dignified death. Section 12 says that there should be no cruel or unusual treatment or punishment. Said Connors, "I think it becomes cruel and unusual for Sue Rodriguez to have to endure the type of death that still occurs." Finally, Connors says that he would argue that Section 15, which says that there will be no discrimination against disabled Canadians, is discriminatory. The result, Rodriguez says she suspected, is constant suicide horror and suicide is not an offense under the Criminal Code.

If Rodriguez loses in court, Nelson says that there are contingency plans. Because Rodriguez does not want her death to get Nelson's name, they say that they have looked at other jurisdictions with different laws on assisted suicide. Nelson says that the Jack Kevorkian, a Michigan physician who used carbon monoxide gas and lethal drugs to help two chronically ill women die in 1991, has offered to help Rodriguez. "The next line of options are those that would legally protect me," said Nelson. "However, we also allow that circumstances may preclude being able to use those options. Then we're left doing it here, maybe in her own home."

Despite her rapidly deteriorating condition, Rodriguez says that she is not ready to die yet and that she continues to enjoy her life. Much of her pleasure, she adds, comes from being with her son. Rodriguez has told him about her plans and, she says, "he's doing fine, but there are times where he acts concerned and a little frightened." When the time comes to die, Rodriguez says that she will not be afraid—the doctors in her to make



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# The media is not above criticism

BY GEORGE BAIN

Whenever any interest of ours is touched, or even seems possibly to be, those of our news business are quick to find freedom of the press being attacked. A lot of what we say is self-serving rubbish. For example, what is frequently overlooked is the readily available fact that freedom of the press rests mainly on the proposition that there should be no prior restraint. What that means is that we are not to be interfered with before we have done something. The publisher of a newspaper, magazine, book or pamphlet does not need to seek approval to print anything. (There are still people who say, "Oh, they couldn't print that if it wasn't true, could they?" The trial impact is that is charming but misleading.)

On the other side of the fence, the reviewers of our information have no less right to dislike what they get, and to object by means as polite and farcical as their ingenuity can devise and energy permit. Freedom of the press includes no protection for the press against subsequent criticism, questioning, angry denials, cautions, demands for retractions or corrections or anything else, including being called into court. The best-known law on that, freedom of citizen's right of freedom of the press is the law of libel. The libel law essentially says that a person's reputation is something of value and to defame it with falsehood is an abuse for which damages may be obtained in a court.

Two other laws in Canada that bear on freedom of the press are the law against publishing false propaganda and the law against knowingly spreading false news that is likely to cause injury to public interest. However, if a freedom of the press is above ordinary circumstances that is the subject here.

The United States was the first to endorse freedom of the press as a constitutional right. It was guaranteed in the First Amendment to the Constitution in 1791, which said simply that "Congress shall make no law... abridging the freedoms of speech, or of the press." But the concept was not new even then. In 1789, the

*Those of us in the news business are quick to cry that freedom of the press is being attacked. A lot of what we say is self-serving rubbish.*

British jurist Sir William Blackstone wrote of what was already part of English common law: "The liberty of the press is indeed essential to the nature of a free state, but this consists as largely in previous restraints upon publications as it is in freedom from censure for criminal matter when published."

When Blackstone spoke of censure he spoke of legal censure. But the same right of freedom of speech and press held citizens, particularly newspapers, free to censure their contemporaries for any failings they liked, criminal or non-criminal. That, in fact, was a large part of the intellectual underpinning of the United States First Amendment, which, as Justice Brandeis of the U.S. Supreme Court said, "rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public." The late Benjamin Chaffee Jr., a Harvard law professor and a leading authority on freedom of the press, referred to that as a "self-righting process... by which the long-run truth is to emerge from the clash of opinions, good and bad." A diverse media—and the freedom of the First Amendment put great faith in a numerous and diverse press—would guarantee vigorous debate out of which an

interested public would distill the truth.

The American experience is related to because there is more of it than Canadian, freedom of the press having become a Canadian right only 16 years ago. It was enshrined even by a statement that Parliament could make no law abridging it—which, in any case, would have been subject to censure by the then-existing clause. What freedom of the press means in Canada remains to be established by the courts, but many of the same considerations apply as in the United States.

One is whether a numerous and diverse press counts and whether, in any event, it has a taste for vigorous debate. Certainly none was apparent in the case of the *Cinefil*. The *Palmer* and the *Harper* immediately after a subsequent of the Senate committee on veterans' affairs undertook to look into complaints of accuracy and prejudice in that sector, other media rallied, crying improper interference, attempt to censor, and, oh yes, an attack on freedom of the press.

In March, Gerard Villeneuve, president of the CBC, in reply to a Winnipeg reference, called the bomber command segment of the series "an examination of particular bombing operations where official policies and questionable strategies of its own house, unnecessarily contributed to the deaths of thousands of Allied airmen and innocent German civilians." The words attacked were reflected nothing as much as total faith in the corporation's own protection of its history. The *New York Times* of the CBC ombudsman, who had been given the subject to look into only in May, revealed Villeneuve's answer to have been simply: "completely."

Bruce McKinnon, director and co-author, who had objected to the subcommittee's inquiry into the historical reliability of the series as an unwarranted intrusion, mainly on what seemed to be grounds of stability, denounced the ombudsman's study and report as "a hangover court." Within the CBC itself, and elsewhere among staunch believers in media non-accountability, there were grumblings that management had not stood up for the fair-minded and those who approved the series for that. That seemed to say that management should have downed its own watching of good practice.

Present circumstances are that we have a largely homogeneous media community dominated, both in size and public impact, by one large, publicly listed broadcasting outfit—leading Canadian information in both languages on television and radio. It offers retail to no right of reply to what it presents, as compared even with the limited right of reply that print allows in its letters to the editor. If public inquiry into anything put in the public domain by the media is considered, ultimately an assurance of freedom of the press, if the CBC's ombudsman, a recent acquisition, constitutes a kangaroo court and an unwarranted restraint on freedom of expression; if the media as a whole holds the idea that freedom of the press exists only to serve the press; or arrive at a situation in which this free, vigorous debate, which freedom of the press is supposed to exist, precludes debate on where freedom of the press becomes an abuse. Odd, isn't it?

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## BOOKS

# A big-city combat zone

*Old and new collide in a forceful tale*

THE INCIDENCE OF AGE

By Neil Bascombe  
(Knopf Canada, 306 pages, \$25)

Toronto the Good, its image was rich, white and bright. But in recent years, that traditional conception of the city has been eroded by radical changes—generally visible poverty in the midst of opulence, an influx of new money and new money and a boom in population that has changed Toronto into a metropolis, with all the resulting pressures of urban sprawl and escalating crime. In his new novel, *The Incidence of Age*, Toronto-born author Neil Bascombe crafts Toronto's new realities into a depiction of a city at war with itself. And he does so, he details with care and compassion the dilemma of those caught in the middle.

At the centre of Bascombe's novel is a long-standing literary theme: the conflict between father and son. Like many characters in the author's earlier works, including the novel *A Casual Beauty* (1985) and the short-story collection *On the Eve of Overcast Tomorrow* (1990), the protagonist of *The Incidence of Age* is struggling with the ghosts of the past. Franco, a middle-aged, middle-class widower who runs a small restaurant in a trendy downtown setting, has silently suffered from his sense of loss and regret over his wife's death. "And the changes taking place in Toronto have left him back outside for the peacefulness of the past and fearful of the future. 'There were moments, on grey days,' writes Bascombe, 'when Paolo felt that he was being sheltered under the growing contradictions of the city.'"

While Paolo struggles with personal and social change, his son embraces the new Toronto wholeheartedly. Working as an executive assistant in a greedy investment bank, Paolo despises, Danny accepts the sexual overtones of modern business. And when Paolo sees decay and despair in the changing face of the city, his father son sees only economic opportunity. For his, Toronto "has broken wide open," Bascombe writes. "Long gone were the comfortable felt and gentle tap of collegiality. Everywhere now the salesman eyed the glare of the hungry lion. And Danny understood that the city—the whole fucking city—was up for grabs."

When Danny comes up with a plan to maximize the family home, paying more attention to profits than to Paolo's wishes, the conflict between him and his father comes to head. In itself, that plot is rather thin, but Bascombe skillfully fleshes it out with evocative descriptions of urban reality. Police brutality, prostitution, racial unrest, the problems of the homeless and the exploitation of illegal

immigrants—all come together to push the clash between father and son towards a resolution of the old with the new.

Bascombe leaves little doubt that he has

will posture the old in the socially and politically diverse atmosphere of modern Toronto, some may argue that *The Incidence of Age*, with its occasionally grunting tone, is if best, at least, reactionary. But there is no denying the strength and accuracy of its depiction of the city's dichotomy. Bascombe's Toronto is young and old, black and white, rich and poor, and he shows all of those warring elements with a dangerous pressure cooker. But social criticism isn't just fancy drama, *The Incidence of Age* effectively presents a vision of a city tearing itself apart.

JOE CREELY



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## PEOPLE

### The bare truth

When newspapers published a photograph of Kim Campbell, making her look naked behind a lawyer's robe that she held on a hanger, early this month, it led to charges that the justice minister was trying to use her sex appeal for political gain. For her part, Vancouver-based photographer Barbara Woodley says that the mis-



Woodley: 'Oh no, I've made a mistake'

sion to the photo, one of 85 in her stylish new book *Portrait: Canadian Women in Power*, surprised her. "I thought, 'Oh no, I've made a mistake,'" said Woodley. But when she called Campbell's office, she added, "they said, 'Don't worry—we know what she's doing. She can handle it.'" Clearly, Woodley, 50, is learning how to handle the efforts of publicity. "The book," she acknowledged, "is selling like hotcakes."

### From Phantom to the opera

She is best known for her role as the embattled Christine Daaé in the original Canadian production of Andrew Lloyd Webber's melodramatic stage musical *The Phantom of the Opera*. Now, Toronto-born Rebecca Caine is occupied

with more heady fare: opera. "I hadn't made a decision to not do musicals," said the soprano, who left *Phantom* in March. "It's just that I've been offered a lot of opera work." Caine, who is currently starring as Despin in the Canadian Opera Company's Toronto production of *Mos-*

## Rocking the royals

Speculation about the Royal family has reached a new phase, focusing on how Prince Charles and the Princess of Wales plan to keep their marriage together. According to Andrew Morton, who published a new chapter of his tell-all book *Diana: Her True Story*, in *The Sun* newspaper last week, Diana was made to realize that if she insists on a divorce she may lose her children and have to live abroad. Instead, the author said, Queen Elizabeth, Prince Philip, Diana and Charles discussed the idea of an informal separation. Under such an agreement, the prince would move out of their London residence, Kensington Palace, and Diana would lead a separate life, joining her husband only on formal occasions. The *Daily Mail* newspaper went even further. It said that the couple is preparing to announce a formal separation.



Charles and Diana: talk of separation

### Binding ties

Tony Goldwyn says that he used to be wary of Hollywood success. "It would always have been associated with my family," added Goldwyn, the son of movie producer Samuel Goldwyn Jr. Still, after establishing his career on stage in New York City, in 1990 he broke onto the big screen as a villainous yuppie in the hit movie *Glengarry Glen Ross*. Now, he returns in the detective thriller *Tomb of Fear*—released by the Samuel Goldwyn Co. While he acknowledged that working on such a close-to-home project was "scary," Goldwyn, 32, added, "It was the worst thing I had to deal with. I'm very lucky."



Goldwyn: 'I'm very lucky'



met's Cool fan taste (All Women Are Like That), has had operatic roots before, having played the lead in the 1960's *Lulu* in 1961. She says that Cool fan taste is "an enormous pleasure" for her, but she adds that the music of Mozart can also be "brightening." Said Caine: "It's straight from God, so it were. It's very enlightening."

# Generation X

Spike Lee revives a fiery black martyr



Lee directs Washington's *Malcolm X* has captured Martin Luther King in the minds of many blacks

**X** signifies the unknown. And for Malcolm X, the black nationalist leader who changed his name from Malcolm Little, it stood for an African identity erased by mistreatment of slavery. Now, 27 years after his assassination, X stands for a lot more. It has become an icon and a trademark for his children's generation. A symbol of defiance, X marks the spot where Black Power was born. It commemorates a martyr who has inspired Martin Luther King in the minds of many young blacks. Emblazoned on hats, shirts, bags, posters, clips and on bookshelves, X has also become a secondary, another variable in America's algebra of racism. But this work of regime sans meaning with the release of *Malcolm X*, the eagerly awaited movie by American director Spike Lee, whose singular beauty came from the X into the most intimate Hollywood ground since the *Boyz n the*

Trains. With an equally length of nearly 3½ hours, *Malcolm X* is a demanding treat. It is a sprawling, sometimes awkward epic, marked by tenderness of self-education. And it is a panoramic, unapologetic and beautifully edited piece of work. Based on *The Autobiography of Malcolm X* (1964), which was written with author Alex Haley, the movie gives full scope to a powerful story. And its title, David Washington, delivers a sensational performance. Not only does he act as moving resemblance to Malcolm X, but the actor portrays his spirit with intelligence, warmth and subtle lucidity. Washington keeps the character credible no matter how bitter Lee's portrait becomes.

Meanwhile, in making *Malcolm X*, Lee seems to have adopted his subject's credo, "By any means necessary." His solution, "His solution" movie is the product of a civil rights shoot, with blacks ranging from Washington to Melba Moore to the screen. Lee had to

appeal both studio executives and Black film leaders. And the movie itself offers a mixture of styles, ranging from Hollywood realism to Harlem realism. It combines entertainment, political drama, a history lesson—and outright propaganda. "This film is propaganda," said Lee in a round of Malcolm's interview with him and his crew last week at New York City. "We are taking a stand."

The movie opens with an incendiary image that underscores Lee's genius for making propaganda with precision. An American flag flies the screen. Gradually, flames lick through the fabric, burning the stars and stripes into the shape of an X. Intervent with the sequence is the now-legendary video of the Rodney King beating, accompanied by a recording of a *Malcolm X* speech that ends with, "I don't see the American Dream. I see the American nightmare."

But in the end, the movie is more splitting than inflammatory. Its hero is a man who claims of a life of petty crime and emerges from prison to make an indelible mark on history—a man in constant evolution, broadening his black nationalism to embrace racial tolerance in the months before his death. The movie omits some of his more regrettable moments, including his charismatic meeting with Kwame Nkrumah in 1964 to solicit their support for segregation. And it leaves out his more effective criticism of anti-white rhetoric. "But white America comes into the movie thinking that's all Malcolm was saying," says Lee. "And we're not going to concede that. At the same time, I think we can concede Malcolm X either."

Like last year's *JFK*, which challenged the assumption that the Kennedy assassination was the work of one Cold War crackpot, and like last month's *Jury*, which reassesses Truman legend Joseph P. Heller as a hero, *Malcolm X* seems a timely response to the Nation of Islam. And after his epiphany, El Hajj, as a womanizer, it is a lie. The story's final chapter unfolds as heart-breaking tragedy. On a pilgrimage to Mecca, Malcolm expands his horizons, coming home with a pro-African program that draws outrage with whites, but he is shadowed by constant death threats. This conflict after his return from Mecca, his wife and children watch him not down by a hail of bullets in New York's Audubon Gardens. Quoting Malcolm X's own reflections before his death, the movie implies that he had known his Muslim brotherhood was behind his assassination. Although Lee's *Malcolm* did die in the conspiracy angle, the director maintains that the Nation of Islam "had helped from the CIA and the FBI. They tapped his phones. They knew what they were doing

under the wheels of a streetcar, already a victim of white vigilantes. "It has always been my belief that I too will die by violence," Malcolm X proclaims in his autobiography.

But the first part of the movie unfolds as a fast-paced romp through Malcolm's early days as a street hustler in a red suit. Believing his black girlfriend, he raps heartily as well as a malleable blonde called Sophie (Ike Baraka). And, under the wing of a West Indian gangster played with finesse by Delroy Lindo, he becomes a racketeer.

In an apparent attempt to expand the movie's appeal, Lee stages a couple of gaudy musical spectacles, including a dance-ball scene that looks like it has dropped out of a vintage musical. The director also performs a distracting cameo as Shirley, Malcolm's partner in crime. But in *Malcolm*, Lee has put in a lot of time, as 30 minutes of budgeting, the Hollywood cut on down from the screen, and the real drama takes hold.

In prison, Malcolm is converted to the Nation of Islam by a convict named Bamba (Albert Hall), a charismatic disciple of black nationalist leader Elijah Muhammad. Malcolm adopts Islam's political code and discards his self-interest. He is studying the Quran. Webster's dictionary page by page. And, after six years behind bars, he walks free in 1952, armed with a political education and a moral doctrine. He is a polite, articulate man in a dark suit who has given up drinking, swearing and fornication—and who has decided that the white man is the cause of civilization.

Out of prison, Malcolm marries Betty (Angela Bassett), an Islamic woman who meets with his leader's approval. While she bears him six children, he becomes a fearless spokesman for the Nation of Islam, revelling in public with actual speeches, and driving free into the heart of white America. Upgrading Islam (in President John F. Kennedy's eyes), he is a member of the Nation of Islam. And after his epiphany, El Hajj, as a womanizer, it is a lie.

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and just let it happen—of the very least that was their involvement."

Portraying the Nation of Islam, meanwhile, required some delicacy. Lee consulted with its leaders, Louis Farrakhan, and Imam Nation minister for security on the set. Still, although Farrakhan warned him that the movie must not malign Elijah, Lee's portrayal is hardly subtle. "One of Elijah's weaknesses was young women," says the director. "The Nation's party line is that his right or one sentence was his wives. But I'm not buying that. If they were his wives, why were they thrown out of the Nation when they got pregnant?"

In making the movie, Lee has displayed a bravado and tenacity worthy of Malcolm X himself. In 1990, he scooped the project away from Canadian director Norman Jewison who

tells him out of filming Nelson Mandela in South Africa for the episode. On both issues, Lee got his way.

Once the movie was completed, Lee greeted more headlines by saying that he would prefer to be interviewed by African-American journalists. Meanwhile, he has come under fire from black intellectuals, such as Amiri Baraka, who said that he was too "bourgeois" to film Malcolm X. "The entire hell a bourgeois mentality can't a bourgeois upbringing," says Lee. "My father was a gun man. Even though he had a wife and five children to support he wasn't going to play some type of music he didn't want to play." In fact, creating controversy is a big part of Lee's marketing strategy. And, as a promoter, he claims that he is satisfied only by *Malcolm*.

"But I did have doubts," Lee admits with a smile. "I did have some times, much not."

Some critics have called Lee a misogynist for his treatment of women on-screen. In *Malcolm X*, however, he has a hero whose screen was made up of both his own and his Nation of Islam creed. "You might say Malcolm was retro as far as women were concerned," says Lee. Still, the movie portrays him as a loving family man. And, as his wife, Angela Bassett displays an accurate streak. In fact, after seeing the movie, Malcolm X's widow, Betty Shabazz, told Malcolm's "I have always wanted to live like that. But I have that moment I never would have ended up as Mrs. X."

But both Shabazz and her eldest daughter, Attallah, say that the film captures Malcolm. "For people who only knew him as a someone behind a podium," says Attallah, "I think it offers his humanity." Indeed, the emotional intimacy of Washington's performance, especially in the final hour, is what makes *Malcolm X* so powerful. Against formidable odds, Lee has created black America's first political epic. And by speaking his hero's little, he has shown what white Hollywood has done with its heroes for years.

During his life, Malcolm X was as uncontrollable force. Now he is suddenly contained—by Hollywood, by the media and by the self-imposed boundaries. But his message has a new sense of its relevance. "We are black people in a poverty that even before," Lee points out, "and most black men in prisons live in colleges. The resurgence of Malcolm X is filling a void left by young African-Americans." And, although he strays off any comparison to his hero with prudent modesty, Spike Lee has helped fill the void left by Malcolm X.

RENN D. JOHNSON at New York City



And (left), Washington's performance—and outright propaganda



McLaughlin mass-streets in Ottawa from 1980s housewife to party leader

## BOOKS

# Her own woman

Audrey McLaughlin steers a unique course

A WOMAN'S PLACE: MY LIFE AND POLITICS

By Audrey McLaughlin, with Rick Archibald  
(Macfarlane Walter & Ross, 293 pages, \$24.95)

Throughout her three-year tenure as leader of the federal New Democratic Party, Audrey McLaughlin has learned to embrace subtle but potent effects on her personal style and political agenda. As the first female leader of a major federal political party, and only the third woman in Canadian politics to run for such a position, the Yukon MP has been dismissed by some as a light weight. She has been criticized for not being colorful enough to attract voters or firm enough to dominate the more volatile members of her caucus. But as her thoughtful new autobiography, *A Woman's Place*, she deftly her style of leadership as a deliberate effort to change the way Canadian politics operates. "To me," writes McLaughlin, 58, "leadership is not about how much attention you can draw to yourself but how you can draw the best out of the people on your team."

*A Woman's Place* is the tale of how a woman raised in the 1930s and 1940s reached for goals beyond the expected. The book chronicles McLaughlin's evolution from timid schoolgirl to 1950s housewife to first female party leader. Along Gloria Steinem's recent *Annie*

from *Woman*, the author focuses on self-interest as a central force in changing women's lives. That theme recurs in the description her workday approach to the NDP leadership race. Still, McLaughlin admits that she is often uncomfortable in Ottawa, which she describes as "the parliamentary men's club."

While the chronology of McLaughlin's unusual life—including a twelve-month in a pickup truck to the Yukon in 1979—is already known, *A Woman's Place* adds new details about what motivated her to take such chances. And she looks out some of the injustices that shaped her. The politician describes the enduring respect of her energetic mother, Margaret Brown, a former town councillor and part-time newspaper correspondent. Banned to small towns as a suspected Communist, at 18 McLaughlin left her job as a junior dietitian to marry Don McLaughlin, a bank farmer—because she was pregnant. "A schoolmate in a similar predicament had simply walked in front of a tank," she writes. "The only acceptable solution for me was marriage."

During the late-1960s, McLaughlin lived a traditional life, raising two children and helping her husband run his farm. But gradually, she writes, she grew restless. She took correspondence courses and got a bachelor's degree. In 1964, she accompanied her husband to Ghana, where she taught English at a boys' school. Back in Canada, she earned a master's in social

work. Then, in 1969, divorced and seeking a new life, McLaughlin packed her belongings in a pickup truck and headed by herself for the Yukon. Her friends were appalled. Her response: "I told them I was attracted to the North because I saw it as a different culture, a new world to experience."

In Whitehorse, she set up a lending library and had a seven-year relationship with Roger Komerly, former Yukon minister of justice. In her book, she admits the heart and disappointment that she felt when he left her. "But," she reflects, "would I have become an MP, let alone leader of the New Democratic Party, had that relationship endured? I don't think so. Like so many women, I've tended to tie my life closely to the man I'm with."

The most engaging parts of the book trace McLaughlin's personal evolution and analyze the political game from a female point of view. Unfortunately, there is too much tedious explication of NDP policy on the economy, environment and aboriginal issues. Still, McLaughlin's philosophy—that the political process should be more inclusive, especially of women—is hard to resist at a time of cynicism about politics. She writes: "I believe that feminism and social democracy are necessarily intertwined. Both strive for equality and fairness throughout society." The author is leaving all royalties from her book to the New Democratic Agency for Women's Fund to help women seeking public office. A trailblazer for Canadian women, Audrey McLaughlin seems determined to ensure that others follow in her path.

NANCY WOOD

## Maclean's

BEST SELLER LIST

### FICITION

- 1 *The English Patient*, Michael Ondaatje (1)
- 2 *Amor*, Harlan Phillips (2)
- 3 *Secrets*, Michael Ondaatje (3)
- 4 *Griffin & Sabine*, Michael Ondaatje (4)
- 5 *The Tale of the Body Thief*, Joe Hill (5)
- 6 *Drinking Peppercorns*, Michael Ondaatje (6)
- 7 *Good Bones*, Michael Ondaatje (7)
- 8 *The Children of Men*, Michael Ondaatje (8)
- 9 *See the Sea*, Michael Ondaatje (9)
- 10 *The Secret History*, Michael Ondaatje (10)

### NONFICTION

- 1 *See the Sea*, Michael Ondaatje (1)
- 2 *Secrets*, Michael Ondaatje (2)
- 3 *Amor*, Harlan Phillips (3)
- 4 *The English Patient*, Michael Ondaatje (4)
- 5 *The Tale of the Body Thief*, Joe Hill (5)
- 6 *Drinking Peppercorns*, Michael Ondaatje (6)
- 7 *Good Bones*, Michael Ondaatje (7)
- 8 *The Children of Men*, Michael Ondaatje (8)
- 9 *See the Sea*, Michael Ondaatje (9)
- 10 *The Secret History*, Michael Ondaatje (10)

(1) Previews best week

Compiled by Susan Belliveau

# From Saving Paper



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## Losing a boss and fearing the future

Some even ago, in 1978, the scribbler found himself on an Edmonton TV station, facing Peter Worthington and Ron Collier. Collier, the veteran CBC correspondent, had just been named editor of a new newspaper, the tabloid *Edmonton Star*. Worthington, one of the founders of *The Toronto Star*, was celebrating yet another expression of "The Little Paper That Grew."

This was on Peter Gornick's long-dead 99 Minutes Live late-night show, where I was recruited as an occasional bit man. To the astonishment and surprise of Worthington and Collier, the third man on the show, based on previous nothing but "We know" trash that no sensible reader would buy and no self-respecting parent would have at the bottom of his bed case.

Gornick's actions took us all for a scheduled drink afterwards and Worthington just sat there, looking at the floor. I don't think he spoke to me for three years. I could have been knocked over with a feather if anyone had suggested, that night, that several decades later I would be working for the *Star* people and the best boss I've ever had, Doug Crighton.

You're talking here to someone who is an authority on bosses having had a lot of them due to a congenital difficulty in dealing with authority from above, so I know a good one when I find one. Crighton was the best, even better than the previous record holder, Stuart Keate of *The Vancouver Star*.

Keate was allowed to retire with his dignity intact. Crighton wasn't. One of the other people who pay for my groceries, the owners of this page, despised him like anti-Christ and the big redhead disappeared within hours, leaving stunned employees wondering if there was any sense to order of the world.

Crighton was the last Canadian newspaperman to rise to the very top of the trade (first had deference to the very capable Linda Hughes of *The Edmonton Journal*) since the best bosses have taken over, forever to rise. The *Globe and Mail*, supposedly the most serious about it in the land, has recruited a genius from Campbell Soup to supervise the

one (how?) told to just take an official *Blah Day* some time in February, stay home, sleep, get drunk or go to a movie.

The best boss in Canada at Christmas gave every employee, from printers to the highest editors, a week's salary—in cash. One of Christmas bonus checks to a stenographer and it has to go into her husband's bank checking account. Gave her an envelope thick with kudos and it's a wonderful afternoon not musing that economy. Why has the Newspaper Guild never been able to generate the best papers? Because Crighton trusted his employees as people, not machines.

His annual directors' seminars (whether in London, Israel or elsewhere) were speckled with company room foremen and circulation managers and their wives from some of the smaller papers. It did the businessmen types as much good, in the straight arguments as it did the guys on the 9-to-5 shift.

To celebrate the 20th anniversary last year of the weekend founding of *The Toronto Star* named Toronto's SkyDome, five employees from all over the country and threw the party to end all parties, complete with fireworks.

Since our latest grant war, the whole trend on this continent has been for newspapers to disappear. Since Crighton, Worthington and Don Black gathered *The Toronto Star* on one weekend after John Bassett closed the *Toronto Telegram* where they worked, they reversed the pattern and actually opened newspapers.

Crighton, as the survivor, presided over *The Calgary Star*, *Edmonton Star*, *Ottawa Star*, as well as the *Toronto Star*, and turned the venerable *Pharos* into a weekly. He made millions for his shareholders, created thousands of jobs and treated people as human beings, not ciphers punching a clock.

He ended his columns at courts, who often disagreed with him, and his cartoon mocked his lunch habits. Loyally kept his loyalty and that's what it's all about. He had the happy exit troops in the four Toronto papers, an industry where war gloom is the standard mode.

It's one of the jokes in the communications business—which newspapers are supposedly in—that there is no communications. Perhaps, sometimes unplanned "early retirements" are as botched and bogged in explanation as often as at General Motors or *Amalgamated* Walgreens.

One would think that those at the top in communications could communicate, but they can't, or won't. No one has explained why Crighton had to go so swiftly, so brutally, so unjustly. There has to be a better way.



language of Shakespeare. We can only weep.

Big Red once complained to the crowd at a book-launch party—which he was paying for—that it had described him in the time as dressing like an untidy bird and rubbing his hair with a Casio. I said this was clearly incorrect; what I wrote was that he combed his hair with an eggbeater. His wife did not speak to me for several days.

Once a year, every year, he would have all his executives take their secretaries to a camp-out in the woods. One year he arrived at his Ottawa cabin to come down to his moody perch in Weston's, where the mountain rose. One steward, not used to the pace, overturned the table and dumped everything, including the gin, on the world chairman. He never blushed.

The best boss in Canada invented his first employees the *Black Day*. February, at its best, is a good month: no babies, slush and cold and depressing. Every Crighton employ-

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